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Reaction Is Muted To U.S. Trade Bill

Japan and Europe Promise to Study Details of Legislation They Opposed

By Patrick L. Smith
International Herald Tribune

Japanese business leaders and government officials, including Prime Minister Noboru Takeshita, responded Thursday with muted protests to the U.S. Senate's approval of an omnibus trade bill intended to improve U.S. competitiveness in world markets and curb practices that Washington views as either unfair or illegal.

The reaction among U.S. trade partners in Europe was relatively restrained as well.

In Brussels, the European Commission, which handles foreign trade negotiations on behalf of the 12 European Community members, said it would study the measure. West Germany's economics minister said the law "could turn out to be a strong burden on free international trade."

Several Japanese government officials said Japan would dispute the legislation under the General Agreement on Tariffs and Trade, the regulatory agency based in Geneva. "If such action is judged necessary," as one government spokesman put it.

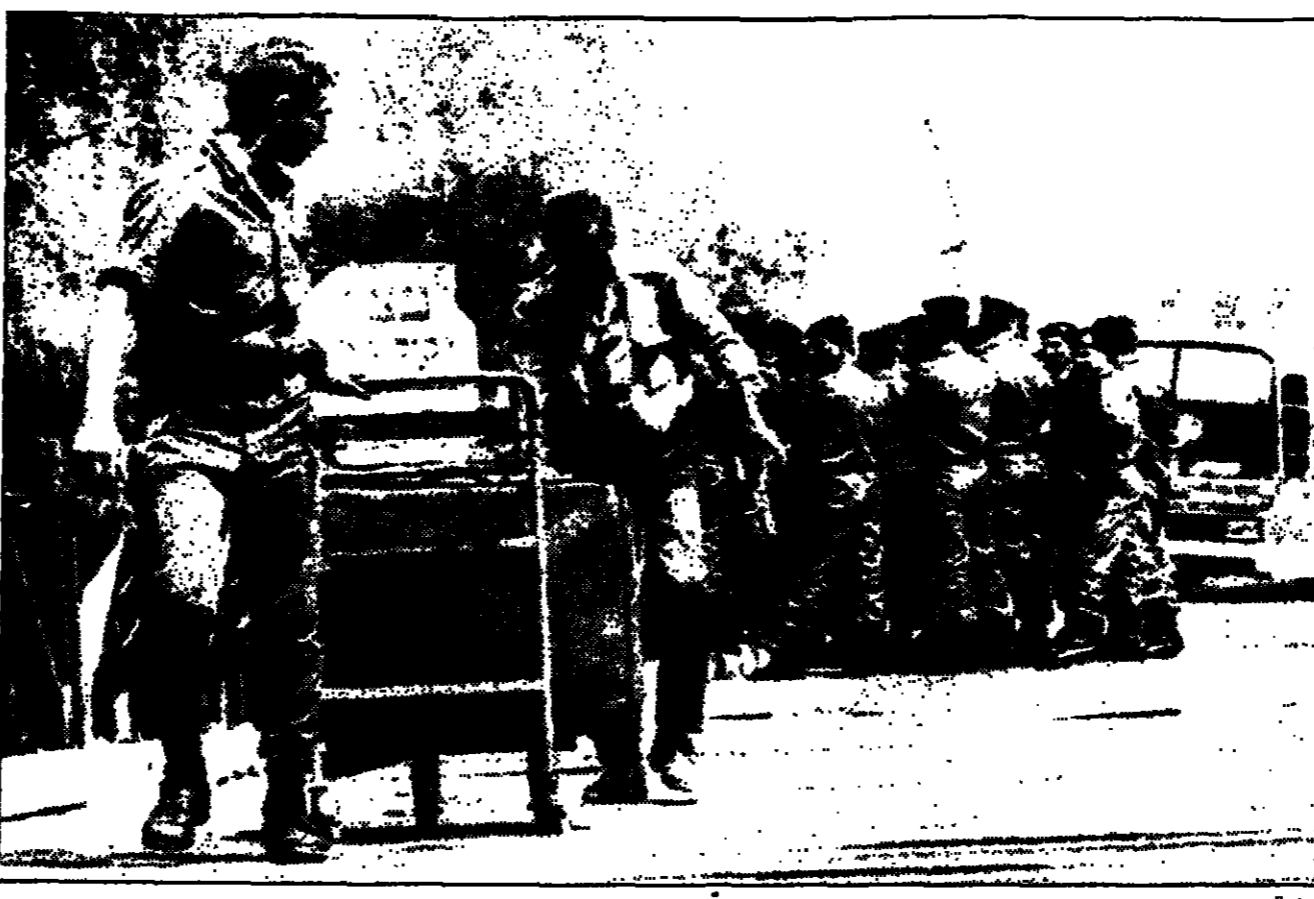
Tokyo has contended that at least two of the bill's provisions are in violation of GATT rules.

Japanese criticism of the bill, which the Senate passed Wednesday night by a vote of 85 to 11, was nonetheless subdued, chiefly because President Ronald Reagan has already expressed his intention to sign the measure into law. The House passed identical legislation, 376 to 45, on July 13.

An earlier version of the bill, by contrast, prompted shrill protests in Japan, including charges of racism, when passed by the House of Representatives in April. The intention then was apparently to encourage the Senate to alter some measures or the president to veto the entire package.

The measure is intended to make the United States more competitive by giving the president broader powers to retaliate against nations found to engage in unfair trading practices. The bill also stresses reciprocity, seeking from foreign governments the kind of access to their markets that the United States provides for its exports.

Under the bill, the president will retain discretion to act as he deems necessary. But the measure curbs presidential flexibility by setting deadlines for some decisions and



Traffic continued Thursday on the Allenby Bridge over the Jordan River, the only open crossing in the Israeli-occupied West Bank.

Jordan Orders Mass Layoffs Of Palestinians On West Bank

By Loren Jenkins
Washington Post Service

JERUSALEM — The Jordanian government announced Thursday it would cease paying salaries to its civil servants and teachers in the Israeli-occupied West Bank.

Putting teeth into King Hussein's decision to turn over responsibility for the Israeli-occupied West Bank to the Palestine Liberation Organization, Jordan said that it will cease to pay its more than 20,000 Palestinian civil servants, teachers and health-care employees working on the West Bank as of Aug. 16.

It was an act that stunned Palestinians in the occupied territories. They had expected the Jordanian monarch to move with less haste after his announcement Sunday that he was giving up his kingdom's 38-year claim to the West Bank and turning over all responsibility for its administration and financial support to the PLO.

The move by Jordan heralded a new phase in the current eight-month Palestinian *intifada*, or uprising, against Israel, by forcing the PLO into a quest for money to try to keep hope and life alive in the occupied Arab lands of the West Bank and Gaza Strip, where some 1.4 million Palestinians live.

"Money is now going to be as important as stones to the *intifada*," said a Palestinian lawyer in Ramallah who asked that his name not be used. "It is going to be on our ability to keep enough money flowing that we will succeed or fail."

Judging from past discussions, the meeting in London next month is likely to come.

Hussein's action was a direct challenge to the PLO to see if it could fill the void left by his surprise decision to disengage from the territory his grandfather, the late King Abdullah, annexed in 1950.

It was a challenge that surprised the Israeli government as much as the PLO.

"It is not a positive step and he is not advancing a solution," said Yossi Ben Aharon, director general to the prime minister.

An official in the Foreign Ministry vowed, "Israel won't let the PLO pay the Jordanian salaries."

Despite Jordan's loss of the territory to Israel in the 1967 Arab-Israeli war, Jordan has continued to claim sovereignty over the territory and to pay for its administration and economic development, spending an estimated \$100 million a year.

The suddenness of the king's action — which, the PLO has complained, was taken without consulting them — has left the Palestinian organization almost speechless.

Ever since Hussein announced his decision in a televised speech Sunday, Yasser Arafat, the PLO leader, and his senior advisory council and executives have been engaged in meetings in Baghdad to try to decide what to do.

The importance of the action to the future credibility and stature of the PLO was made clear by its announcement that it would convene an emergency meeting of the Palestine National Council, its supreme parliament-in-exile, within a month to endorse a response to Hussein's challenge.

Long funded by Saudi Arabia and other Arab nations and bolstered by new promises of millions of dollars made at the summit meeting of Arab leaders at Algiers in June, the PLO is believed to be able to raise the money necessary for the West Bank.

But the problem it faces is how to get the funds into the occupied territories in view of Israel's announced determination to prevent such an act.

Ever since the Palestinian uprising began Dec. 9, Israel has been

No Respite in Sight for Crowded European Skies

By Barry James
International Herald Tribune

PARIS — Air traffic congestion hit a record peak this summer in Europe, and officials see little hope of substantial relief in the near future.

Traffic is booming at a double-digit rate of annual increase, but because of environmental pressures airport capacity has not grown to match the increasing demand, nor is it likely to grow fast enough in the future.

David Kyd, a spokesman for the International Air Transport Association based in Geneva, said: "Even at a modest 5 percent increase in air traffic — which is, in fact, less than half of what we have seen the past couple of years — the number of passengers will double in 12 years. There is nothing on the drawing board that can cope with that kind of an increase."

Airlines and airport operators will meet with the European Civil Aviation Conference in London next month to search for possible solutions to alleviate the crush next year.

"It has been a wretched experience," said Geoffrey H. Lipman, executive director of the International Federation of Airline Passengers Associations in Geneva, referring to this summer's crush in the air. "It has been much worse than previous years, particularly for charter passengers." At some airports, delays of 10 hours or more for charter passengers are commonplace. A late departure somewhere can send delays rippling and magnifying through the system. Strikes by air traffic controllers in Greece and France have compounded the pressures.

For a system that is busy at the best of times, Mr. Kyd said, "A 20 to 25 percent increase in traffic over a two-year span is an awful lot." What used to be a brief crisis in July and August is now a chronic crush that can last from Easter to autumn.

Air transport is booming, Mr. Kyd said, because people are taking more vacations and because business travel is strong. And as the 12-nation European Community moves toward greater airline liberalization, the congestion is expected to get worse.

According to a report by the Paris-based European Civil Aviation Conference, "It is a fact that the amount of traffic now being handled by the system goes far beyond what was believed possible 10 years ago."

"On the other hand, there is now evidence in forms of delays, reroutings, flow management measures and a slight rise in air fares to prove that the system is in a number of areas is probably now working on the edge of or beyond the limit of sustained activity."

Judging from past discussions, the meeting in London next month is likely to come.

U.S. Warns EC Against Trade Curbs

By Stuart Auerbach
Washington Post Service

WASHINGTON — A senior Reagan administration official on Thursday praised the intent of the European Community to integrate its 12-nation market by the end of 1992 but warned Europe against erecting barriers to other countries.

In the speech, the first extensive public analysis by a leading administration official giving Washington's view of an integrated Europe, Mr. Peter McPherson, deputy secretary of the Treasury, reflected global concerns that an open market within the EC could create a European fortress against other nations.

"The creation of a single market that reserves Europe for Europeans would be bad for Europe, for the United States and for the multilateral economic system," Mr. McPherson said in a speech delivered to the Institute for International Economics.

His speech was billed as a response to the official European view, conveyed to the same forum in May by Lord Cockfield, the EC commissioner from Britain who is being replaced by the British government.

"While we are sensitive to the political pressure that will arise from internal liberalization," Mr. McPherson continued, "we would find unacceptable any measures that would limit market access for third countries and discriminate against subsidiaries of foreign companies already established or that wish to establish in the community." Mr. McPherson said.

The Treasury official did not mention the sweeping new trade bill approved by Congress, but that legislation calls for a more aggressive U.S. posture against import barriers.

EC officials have denied they intend to erect barriers around an integrated European market. But Mr. McPherson cited pressures from European industrialists to erect a "protective curtain" around the countries to ease their transition from the current protected national markets to an arena of greater competition within the community.

"If we are not careful, we could end up with a great deal more protectionism," said Mr. McPherson, the second ranking official in the Treasury.

He said that could come about if



Hiroshima Prepares for Anniversary of A-Attack
 City hall employees scrub the pavement at Hiroshima Peace Memorial Park on Thursday in preparation for the 43d anniversary of the U.S. atomic bombing Saturday. The Atomic Bomb Memorial Dome is in the background. Most of the city was destroyed and about 75,000 killed.

Bush's Challenge on Foreign Policy

Issues Will Be Strategic Arms, Nicaragua and the UN

By David Hoffman
Washington Post Service

WASHINGTON — Vice President George Bush, describing the broad offensive he plans to wage this fall on foreign-policy issues against Governor Michael S. Dukakis of Massachusetts, says he will challenge the Democratic nominee on questions of strategic weapons and defense, changes in the Soviet Union, aid to the Nicaraguan rebels and the role of the United Nations.

In an interview, Mr. Bush repeatedly criticized Mr. Dukakis on these points. He suggested he would try to use foreign-policy differences to counter the claim by Mr. Dukakis that the election is not about ideology but about competence.

Mr. Bush also elaborated on his views of change in the Soviet Union. He said, for example, that he believes the United States should encourage the economic reforms of Mikhail S. Gorbachev, the Soviet leader, with increased trade if that also helps the United States. And, Mr. Bush added, "I say expanded trade is in our interest."

While Mr. Dukakis has said he believes the Soviets are turning inward to deal with their troubled economy, Mr. Bush said, "I've seen some evidence of that, but not enough to persuade me that all is sweetness and light, no."

He said, "I think it's naive to think that every change they've made is driven by their economy and that we can therefore make unilateral cuts because they've got such a press of economic problems."

Mr. Bush singled out Mr. Dukakis's opposition to the MX and Midgetman missiles, saying he had not seen enough change in the Soviet Union to justify canceling them. "I think Governor Dukakis is just as wrong as he can be in these unilateral strategic cuts," Mr. Bush said.

Mr. Dukakis has said that tight defense budgets in the years ahead mean that the nation cannot afford a laundry list of new strategic arms. While proposing to scrap the two missiles, he has said he would leave the door open to a new land-based nuclear missile.

Mr. Bush was asked whether the United States should build both the multiwarhead MX and the single-warhead Midgetman, which is still in the planning stages. "We need to keep something there in terms of that kind of flexibility," Mr. Bush said. "Until we see how far we go on the strategic arms talks."

Although he has been sharply critical of Mr. Dukakis for his opposition to the missiles, Mr. Bush acknowledged that, if elected, he might be able to build only one. Both Mr. Bush and Mr. Dukakis have called for stable defense budgets.

The Lonely Crowd: Study Finds Isolation Raises Health Risk

By Daniel Goleman
New York Times Service

NEW YORK — Being cut off from friendships and family doubles a person's chances of sickness or death, a new report indicates.

Although social scientists have long known that there was a strong association between loneliness and illness, it was unclear until recent studies which was the cause and which the effect.

But the new studies, summarized in the current issue of *Science* magazine, show that a lack of social relationships in and of itself heightens people's susceptibility to illness.

"The data show that people who are isolated but healthy are twice as likely to die over the period of a decade or so as are others in the same health," said James House, a sociologist at the Institute of Social Research at University of Michigan, a co-author of the report.

The report said social isolation "is as significant to mortality rates as smoking, high blood pressure, high cholesterol, obesity and lack of physical exercise."

"In fact, when age is adjusted for, social isolation is as great or greater a mortality risk than smoking," it added.

Smoking makes a person about 1.6 times more likely to develop illnesses of all kinds, but social isolation makes a person twice as likely to become sick, the researchers said.

Of course, many people who live on their own or see few friends are content and healthy, Mr. House said. Living alone or being somewhat reclusive is not enough by itself to make a person so isolated that his or her health is likely to suffer. The adverse health effects of isolation show up at the extremes.

"It's the 10 to 20 percent of people who say they have nobody with whom they can share their private feelings, or who have close contact with others less than once a week, who are at most risk," Mr. House said.

The report, co-written by two other researchers, Karl Landis and Debra Umberson, summarizes studies in the United States, Finland and Sweden of the effects of isolation on health that have been done in the last two decades.

In these studies, more than 37,000 people were assessed over periods of up to 12 years.

The finding comes at a time when the trend toward social isolation is strengthening. In the United States, people are increasingly less likely to live with others, to be married, to belong to social clubs or to visit with friends than they were 20 or 30 years ago, the report said, quoting federal statistics.

Mr. House said: "After controlling for the effects of physical health, socioeconomic status, smoking, alcohol, exercise, obesity, race, life satisfaction and health care, the studies found that those with few or weak social ties were twice as likely to die as were those with strong ties."

"Until now, skeptics could argue that people who are sick, crazy or have bad health habits were just more likely to alienate people or just lacked the energy to get together with friends."

Isolation is more devastating to men than to women, the research shows.

In a study by University of Michigan researchers of 2,754 men and women, isolated men were two to three times more likely to die as were men with close social ties. For isolated women, the risk was only one and a half times as great as for women with close ties.

The difference between men and women may be because women have higher quality relationships than men, the report proposed.

Because social isolation was evaluated by the number of social contacts rather than their quality, it may be a poorer measure of social isolation for women than for men.

The report cited recent laboratory experiments with rats, mice and goats showing that the mere presence of a familiar member of the same species can lessen the physiological impact of stress in producing ulcers, hypertension and "neurosis."

Other studies cited in the report have shown that the presence of another person can reduce anxiety and lessen unhealthy physiological activity in people.

Tanker Hit In the Gulf, Ending Lull

Compiled by Our Staff From Dispatches

DUBAI, United Arab Emirates — Iran reportedly renewed attacks Thursday on shipping in the Gulf and Iraqi jets rained Iranian oil centers, as UN efforts to end the eight-year Gulf War remained deadlocked.

An Iranian gunboat reportedly fired with machine guns on the 284,502-ton Berge Lord, a Norwegian tanker, inflicting minor damage, Iran denied that its gunboats carried out the attack off Dubai, the first of its kind since Tehran accepted a UN Security Council cease-fire resolution on July 18.

In Baghdad, a military spokesman said Iraqi jets attacked oil centers in southwestern Iran, about 100 kilometers across the border. The raids were aimed "at depriving the Iranian regime of the oil resources which finance its war effort," the spokesman said.

Meanwhile in New York, the head of a UN military team delivered his report Thursday on arrangements for a cease-fire in the region. Lieutenant Colonel Martin Vadset, head of the mission that returned Wednesday from the Gulf, presented his report on how to implement a UN-supervised cease-fire to UN Secretary-General Javier Pérez de Cuéllar.

Colonel Vadset also was expected to make recommendations on the size of the UN observer force that would monitor a cease-fire and troop withdrawal. UN officials initially estimated they would need an observer force of 250. Officials said the report by Colonel Vadset, a Norwegian who heads the UN Truce Supervision Organization in Jerusalem, would not be made public.

Mr. Pérez de Cuéllar has been trying to implement a year-old Security Council peace resolution, which Iran accepted on July 18. He has said he might unilaterally announce a cease-fire date. Iran initially said it accepted Resolution 598, but now demands direct talks with Iran before it will agree to a truce. Meanwhile, the fighting continues.

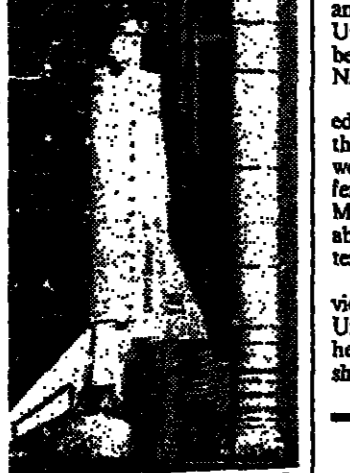
In the Gulf, the Norwegian captain of the Berge Lord, Klausen Leif, said by ship-to-shore telephone that the gunboat that attacked his ship tried to kill crew members.

Kiosk Angolan Talks Extended a Day

GENEVA (UPI) — Angola, Cuba and South Africa decided Thursday to extend their peace talks on southern Africa by a day, and a U.S. official said the negotiations were "on track."

Officials said the fourth and latest round of talks, which began Tuesday and were to have ended Thursday, would continue through Friday morning because of the volume of work.

"Negotiations are on track and the full agenda of issues is under discussion," said a U.S. spokesman on behalf of Chester A. Crocker, U.S. assistant secretary of state for African affairs.



The space shuttle Discovery sits on its launch pad in Florida on Thursday after a test of its engines was aborted.

General News
 Mathias Rust received a cool welcome home, with some criticizing his dramatic flight to Moscow. Page 2.

Business/Finance
 The flow of capital out of West Germany rose dramatically in the first half. Page 11.

Down Close
 The Dollar in New York
 Down 1.8798
 7.47
 Yen 133.025
 FF 6.3406

PEOPLE
 Scorsese Film Project
 Reaction from Zelig
 Carroll Bly, the wife of
 Metropolitan Opera
 Sir Rudolf Bly, is
 married to a metal
 worker. The Blys
 were married in
 1962. Bly is a
 member of the
 Metropolitan Opera
 chorus. Bly's
 wife is a
 metal worker.

LOW COST FARE
 PARIS - GATE 2A
 1st Class 120.00
 2nd Class 80.00
 3rd Class 50.00

HOLIDAYS & THE
 LAS VEGAS HOTEL
 1st Class 120.00
 2nd Class 80.00
 3rd Class 50.00

HOTELS
 SWITZERLAND
 1st Class 120.00
 2nd Class 80.00
 3rd Class 50.00

USA
 1st Class 120.00
 2nd Class 80.00
 3rd Class 50.00

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 FOR INFO
 CLASSIFIED

OPINION

Herald Tribune

Published With The New York Times and The Washington Post

Not a Crime but a Tragedy

Now that the Pentagon appears ready to blame human error aboard the U.S. cruiser Vincennes for the shootdown of the Iranian airliner last month, should Americans feel guiltier for the tragedy? Or just sorrier for an accident of war? And what can now be done to learn the lessons of the tragedy and avoid repetitions?

Admiral William Crowe, chairman of the Joint Chiefs of Staff, acknowledged error the day after the shootdown, but it seemed then that Iran might have contributed to the disaster in some major way, perhaps by leaving a military identification system on board the Airbus. The Pentagon's inquiry, still unpublished but now leaked, concludes that the crew simply misinterpreted their instruments in the heat of battle.

Just a Crumb From Castro

Neither Fidel Castro nor the outside world found much to cheer about last week on the 35th anniversary of the Cuban revolution. Cuba is poorer today than when Mr. Castro victoriously entered Havana in 1959 after six years of struggle.

That failure is documented in a careful report from the Association of the Bar of the City of New York. True, Mr. Castro now permits two small human-rights groups, but they exist on sufferance. And this provisional crumb scarcely offsets the cruelty of the conditions the lawyers describe: unit cells, beatings, lengthy sentences for the pettiest offenses, lack of an independent bar, denial of emigration rights.

A typical case is that of Ariel Hidalgo, given an eight-year sentence for "enemy propaganda" after secret police found a personal manuscript in which he assailed what he saw as a new ruling class. He was first confined to a mental hospital, then jailed for

gon inquiry team says the Airbus was not descending, and that the military transport signal may have come from an Iranian military plane parked at an airfield in the same line of sight as the Airbus.

Yet these findings would seem to make little difference to Captain Will Rogers's decision to fire on the plane. Once told it was hostile, he had little time to review the information given him and little choice but to avert a presumed attack.

There he spent weeks naked in a bedless cell. The lawyers' delegation did note some improvement in prison conditions. And it could not find evidence to support assertions by the U.S. State Department that Cuba carries out secret executions, systematic torture and disappearances. But the idea that people like Mr. Hidalgo should not be in jail at all, let alone abused, seems beyond the grasp of an oppressive regime.

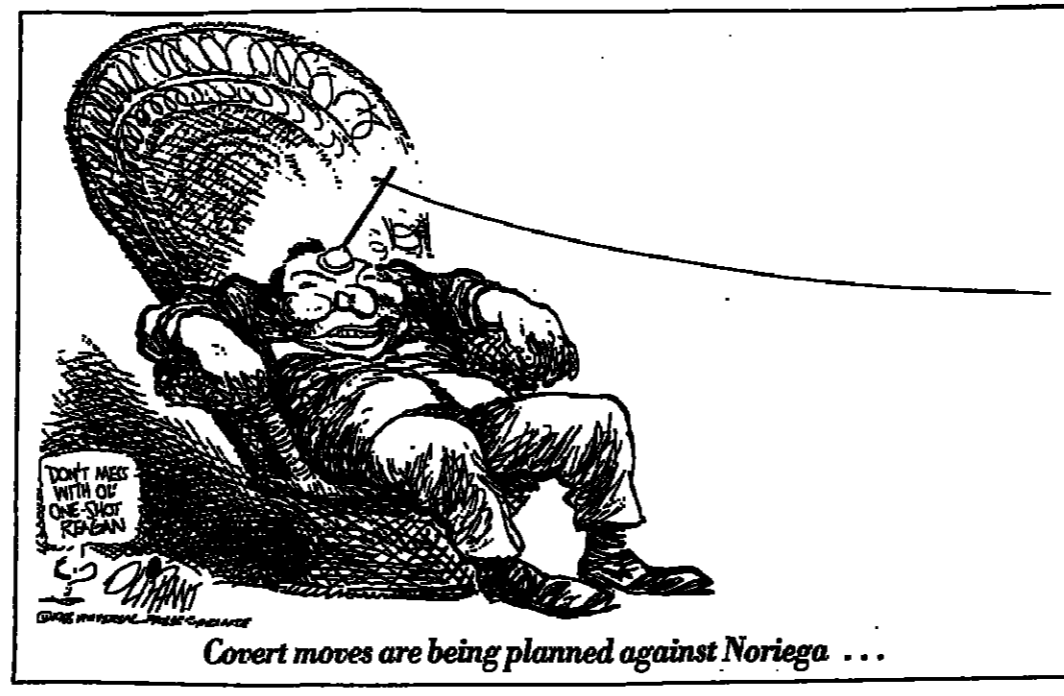
And then there is the emergence in Havana of a spunky human rights champion, Ricardo Bofill, whose group is now petitioning to add the United Nations' Universal Declaration of Human Rights to the Cuban Constitution. Mr. Bofill seeks the 1000 signatures required by law to force a vote on the issue by Cuba's National Assembly.

Mr. Bofill's problem is that rights in Cuba exist only by executive grace. But silencing him would make shamefully clear how Cuba's bearded and macho revolutionaries, after 35 years, still fear any squeak of dissent, and still view the UN declaration as a subversive and incendiary document.

Congress Needs a Raise

One of the things U.S. congressmen find it hardest to do is to pay themselves right. It is natural for constituents to resent someone who seems able to write his own paycheck, and attacking a congressman for voting for a pay raise is a cheap shot that many challengers find irresistible. As this year's session heads toward the election and the transition to a new administration, the pay raise issue starts to loom on the horizon.

of these countries, women bear special health burdens. In the poorest countries, women are up to 200 times more likely to die as a result of complications of pregnancy, abortion or childbirth as women in the richest countries. In countries like Sweden, Italy and the United States, only 1 woman in 100 dies during the child-bearing years. In 25 countries studied, 1 in 10 will die. In Afghanistan, Benin, Cameroon, Nepal, Nigeria, Malawi, Mali, Mozambique and Yemen, one out of every five 15-year-olds will die before she is 45 for reasons related to pregnancy or childbirth.



A Final Obstacle on the Path to Cambodian Peace

PARIS — In the past month the diverging paths to peace in Cambodia have merged, largely under the masterful direction of Prince Norodom Sihanouk, and a political agreement is on the horizon. It could take three months, six months or a year but the momentum is gathering force.

Everything points to an agreement calling for Sihanouk's return as head of state to oversee free elections — everything but the continued intransigence of the Khmer Rouge.

Hanoi Moves More Cautiously on Reform

CANBERRA — Vietnam's political system is passing through a turbulent period, caused partly by the replacement of one political generation by another. At the same time, the nation's leadership has been engaged in debate about the more liberal economic policies that have been introduced recently.

Burma's Trip From Euphoria to Dismay

BANGKOK — For years, the multilateral development banks, Burma's donor countries (Japan and West Germany, among others) and an increasingly active opposition have suggested discreetly to the government in Rangoon that it was time for reform. But it took two weeks of rioting in March and in June, in which more than 200 people were killed, before these long-awaited changes seemed to materialize.

The Dictator Left a Troubling Legacy

THE resignation of U Ne Win after 26 years as dictator of Burma seemed too good to be true. Many Burmese think it is not true. The dictator may have gone into retirement, but the dictatorship has not.

Arafat's Last Chance, America's Lost Hope

PHILADELPHIA — King Hussein's declaration that Jordan no longer has a role on the West Bank provides the greatest challenge ever to the Palestine Liberation Organization. How the PLO acts in the next few months probably will determine whether it establishes an independent state or disappears into the oblivion of failed irredemism.

Land and

By Michael Richardson
WELLINGTON, New Zealand — A flood of claims for land and fishing rights in the Tasmanian Trough has led to a bitter political struggle.

100, 75 AND 50 YEARS AGO

- 1888: World TB Parley
1938: Sudeten Talks
1913: Chaos in Canton

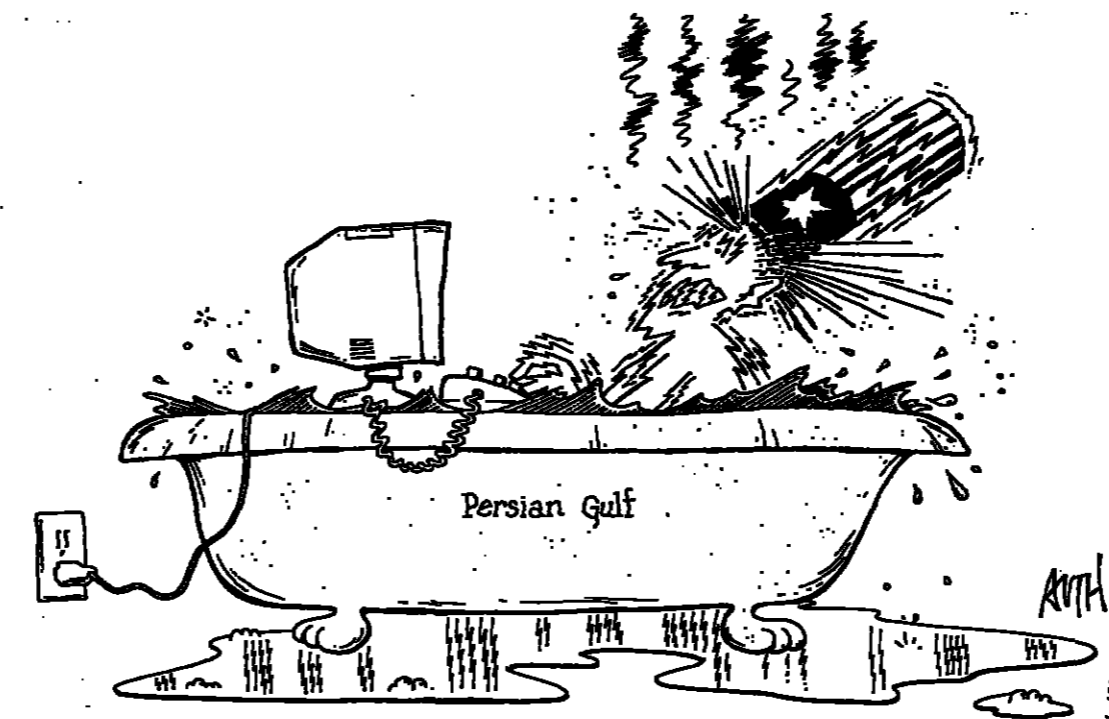
Advertisement for a book titled 'A Little Black Sambo should' with a cartoon illustration of a man and a woman.

OPINION

In the Iran Airbus Disaster, A Question, Now, of Honor

By Anthony Lewis

BOSTON — In its commitment to truth, the U.S. Defense Department's investigation into the Iranian air disaster has gone a long way toward redressing the honor of the United States. Not many countries would examine the performance of their own armed forces in such an incident with the candor of this investigation's reported findings.



Days Full of Nothing Real Somehow Got Things Done

By Herbert L. Kahn

WESTON, Massachusetts — Shortly after the small company of which I was a vice president was sold to a giant corporation a few years ago, our president and founder took his newly earned fortune and departed. His place was taken by a man I shall call Martell, a senior executive from corporate headquarters who swiftly introduced us to the big league way of doing things.

LETTERS TO THE EDITOR

UN Reform and U.S. Dues

One cannot help but respond with disbelief when reading about the "progress toward reform" at the United Nations ("A Better United Nations," Opinion, July 23-24). True, some improvements in budgeting procedures have been introduced, as well as cuts in staffing, mostly by attrition. But this has to do with economy rather than reform and improved efficiency.

The editorial calling for payment of U.S. dues to the United Nations says that "few will be fooled" by Washington's call for reforms. I should like to hope that not many more will be fooled by unfounded claims that the reform of the United Nations is well and done. The United States should pay, yes, but it should not stop pressing for true and substantial reforms.

The political/financial crisis of the UN has led to a deterioration of salaries and other benefits to such an extent that the organizations can no longer attract the qualified staff they need to implement their programs. Some projects are grinding to a halt because the salaries offered by the UN system cannot compete with those of similar agencies.

They should recognize the exiled government of Tibet headed by the Dalai Lama, whose main goal is a solution through peaceful means; impose trade and arms sanctions against China; and provide financial help for the Tibetan refugees in India and Nepal.

Nice. We had reserved first-class berths. At 7 o'clock the next morning, my friend shook me awake, saying, "My purse is gone!" She had gone to sleep clutching it in her arms. When we found the conductor, he shrugged and said, "You'll have to report it to the police."

I hope this letter will alert travelers and encourage French authorities to check this matter carefully.

GENERAL NEWS

Land and Fishing Claims Stir Racial Fears in New Zealand

WELLINGTON, New Zealand — A flood of claims for land and fishing rights by indigenous Maoris is sharpening ethnic divisions in New Zealand and turning race relations into a bitter political issue amid fears of possible racial conflict.

Maori representatives in Geneva at a United Nations meeting of indigenous populations on Wednesday accused the government in Wellington of promoting apartheid and cultural genocide.

Zealanders on the socioeconomic scale. In some areas, Maori unemployment runs at double the European rate of 8.5 percent. Maoris are also overrepresented in crime, suicide, infant mortality, school dropout

rate, prompting allegations from some whites that the tribunal, the government and judiciary were showing bias toward Maoris.

The tribunal can only make recommendations to the government. Mr. Lange said that a decision on Maori fishing rights that involves the management and ownership of fisheries would be made by the cabinet in the next few weeks.

Japan Vows Sensitivity To U.S. Racial Images

TOKYO — Responding to a letter from black members of Congress protesting racially biased remarks and actions in Japan, Prime Minister Noboru Takeshita's government said it would be more sensitive in the future.

The government's chief spokesman, Keizo Obuchi, said Wednesday: "We strongly oppose racial discrimination. We must pay attention to the fact that words and deeds in Japan are giving an undesirable impression."

The letter objected to the use of black stereotypes in advertising products in Japan and recent remarks by a prominent member of the governing Liberal Democratic Party who said black Americans have no qualms about going bank-

rupt through excessive spending. Among the offensive marketing practices cited in the American letter were the use of black store mannequins with exaggerated features and the use of Little Black Sambo, recently suspended, as the mascot for a line of toys and beachwear.

Mr. Dymally's letter to Mr. Takeshita condemned the "inflammatory and derogatory nature of Japanese caricatures" and the "insensitive statements of some political officials in Japan." His letter clearly threatened economic retaliation.



A Little Black Sambo shoulder bag of the type that has been taken off the market and out of production in Japan by the manufacturer.

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WEEKEND

- Queen's Art
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International Herald Tribune

CRITICS' CHOICE

BERLIN

Chamber Opera Festival

As part of the program for its year as Europe's "cultural capital," Berlin is staging a festival of chamber operas from Aug. 23 to Sept. 12, opening with the Munich Biennale's production of Detlev Glanert's "Leyla and Medjuna" at the Akademie der Künste. This is followed by the Wrocław State Opera's "The Mammals," with music by Zbigniew Rudzinski, in the foyer of the Deutsche Oper. Subsequent events, all in the Hebbel Theater, include a double bill of Eberhard Feyer's "Late Summer Day" and Peter Maxwell Davies's "Miss Donnithorne's Tack" by the Norske Opera of Oslo; Peter Sellars's staging of Nigel Osborne's "The Electrification of the Soviet Union," a production of the Glyndebourne Touring Opera; "Blood Wedding" after Garcia Lorca with music by Sverker Magnusson, from Göteborg University; Maurice Ohana's "Three Tales of the Honorable Flower" and Hans-Joachim Hespos's "Night Performance," a double bill by the Hamburg Hochschule für Musik; and Luciano Chailly's setting of Iosco's "The Bald Soprano" and Tom Johnson's "Four-Note Opera," a double bill by the Vienna Chamber Opera.

ST. PAUL DE VENICE

Fernand Léger Retrospective

More than 150 paintings and drawings by Fernand Léger have been gathered by the Maeght Foundation in St. Paul de Venice, France, for a major retrospective ranging from his early neo-Impressionist works of 1905 to the "Composition aux deux oiseaux sur fond jaune," done in 1955, the year of the artist's death. The exhibition, including the drawing on the left runs through Oct. 2.

LUCERNE

Mostly for Orchestras

This year's Lucerne Music Festival, from Aug. 17 to Sept. 10, opens with a concert of the Swiss Festival Orchestra with Vladimir Ashkenazy conducting and Murray Perahia as piano soloist and continues with the usual array of orchestral, chamber and other music. First performances include a new work by Krzysztof Penderecki conducted by the composer; Rafael Kubelik's "Invocation," by the Swiss Festival Orchestra under Clans Peter Flor; and Rudolf Kelterborn's "Gesänge der Liebe," with the Royal Philharmonic of London under Ulrich Meyer-Schoellkopf, with Edith Mathis and John Stanley-Quinn as vocal soloists. Other orchestras include the Chamber Orchestra of Europe under Claudio Abbado, the Budapest Festival Orchestra under Ivan Fischer, the Academy of Ancient Music conducted by Christopher Hogwood, the Berlin Philharmonic under Herbert von Karajan, the English Chamber Orchestra conducted by Jeffrey Tate, the New York Philharmonic under Zubin Mehta, the Vienna Philharmonic with Leonard Bernstein, the Concertgebouw Orchestra under Riccardo Chailly and the Philharmonia Orchestra of London under Giuseppe Sinopoli.

LONDON

Gordon Anthony Photographs

Portraits from the worlds of British theater, movies and ballet are among the highlights of "Shadowland," the first full retrospective of Gordon Anthony's photographs, at the National Portrait Gallery through Oct. 16. Anthony, brother of Ninette de Valois, the grande dame of British ballet, took his first dance photographs in 1926.

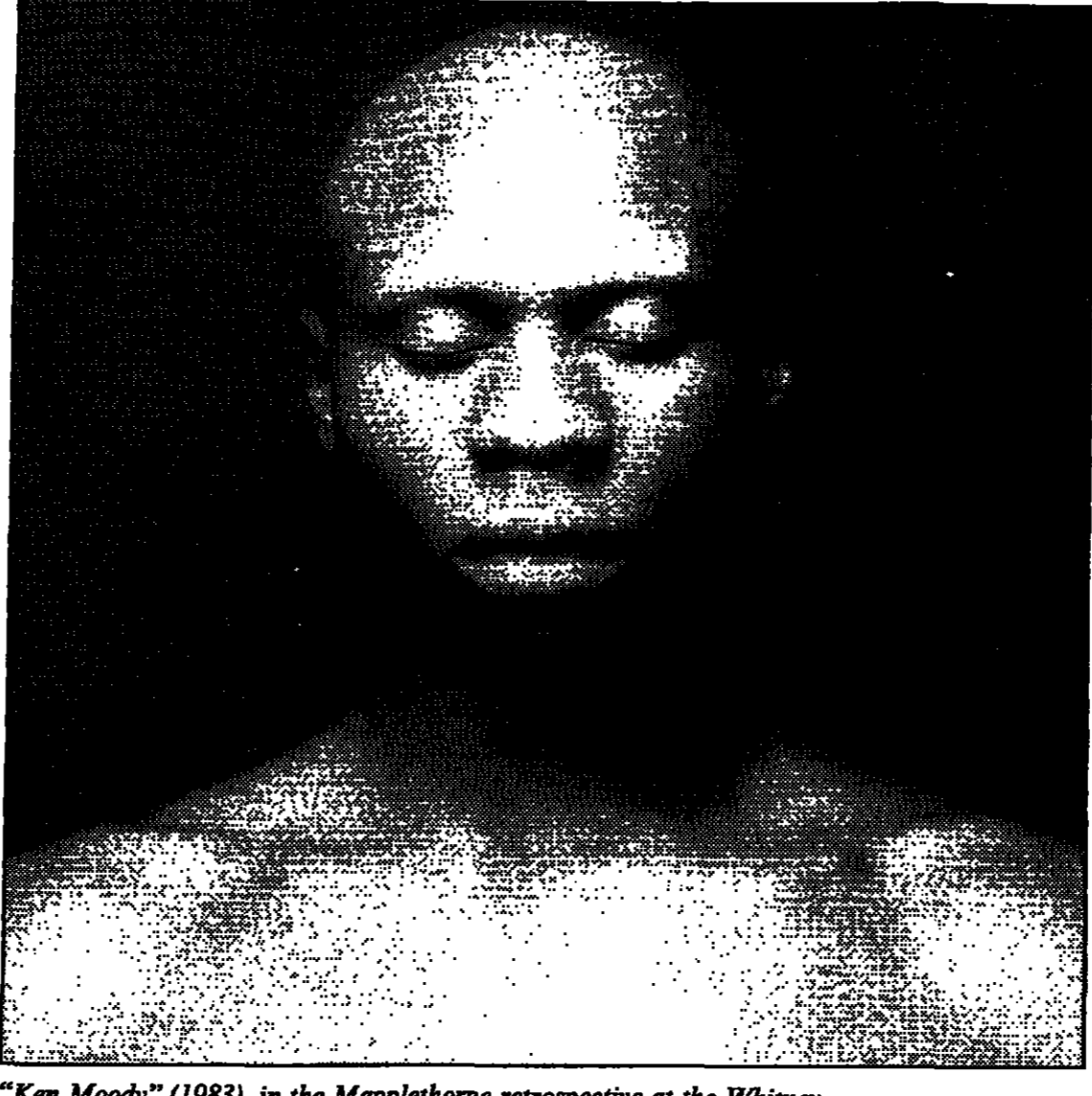
HILDESHEIM

Art Treasures From Albania

The Roemer and Pelizaeus Museum in Hildesheim, West Germany, has assembled more than 400 sculptures and other art treasures from Albania for a one-time showing in the West. The exhibition ranges from jewelry and other archaeological finds, dating to 3000 B.C., to classic figures from the days of ancient Rome and Greece and objects from the Middle Ages. "Albanien: Schätze aus dem Land der Skulpturen" runs through Nov. 20.

Transgressions in Search of Beauty

by Andy Grundberg



"Ken Moody" (1983), in the Mapplethorpe retrospective at the Whitney.

If style and its permutations, fashionability and taste, are major topics of late '80s art, then Robert Mapplethorpe is perhaps the most topical artist of the moment. Less than 20 years since he first decided to make art with a camera, his elegant but often provocative photographs are being heralded as exemplars of the new stylish sensibility. Certainly they are popular as was apparent from the large attendance at the exhibition of his work held recently at the National Portrait Gallery in London.

Now Mapplethorpe mania has arrived in New York, in the form of a retrospective exhibition at the Whitney Museum of American Art through Oct. 23. Organized by Richard Marshall, an associate curator at the museum, it is the first of two major shows this year that are devoted to the photographer's career. Another, slightly larger exhibition, organized by Janet Kardon of the Institute of Contemporary Art in Philadelphia, opens Dec. 9 and will travel to Chicago, Washington and Boston next year.

The Whitney's show, titled "Robert Mapplethorpe," traces the artistic development of the 41-year-old photographer from Floral Park, New York, from the point when he left the Pratt Institute in 1970. Most of the 110 works are photographs, but in some cases—a 1987 portrait of Andy Warhol, for example, framed in the shape of a cross—the photographs are bit players in a more complex, sculptural installation.

major influence; there are "found" images taken from magazines as well as small Polaroid pictures arranged in horizontal rows. But mostly these unpossessing objects serve to anticipate Mapplethorpe's preoccupation, once he became committed to photography in 1973-74, with presentation and framing. His recent (1987) pictures on sensitized linen, flanked by panels of silk and other deluxe fabrics and framed with expensive woods, are simply Hollywood versions of his early, low-budget productions.

But Mapplethorpe's work first came to public attention, and gained considerable notoriety, in the second half of the 1970s. It did so not on the basis of its presentation but because of its sensational subject matter. Like scores of photographers before him—Lewis Hine, Brassai, Weegee—Mapplethorpe chose to depict a subculture seldom photographed before, or at least seldom seen in the contexts of fine-art photography. In his case, the subculture is a sado-masochistic, homosexual one. While his compulsive, unabashed and carefully staged chronicle of this particularly stunted variety of homoeroticism may not be everyone's cup of tea, it has proven irresistibly fascinating to much of the art world.

Partly we are seduced by the surfaces of his prints, which revel in the infinitesimal gradations of whites and blacks that photography is capable of producing. The four color pictures in the exhibition are no less refined. Partly we are seduced by the way he

These pictures represent only the beginnings of the artist's mature career, however, and only a minor portion of the exhibition. Since the late 1970s he has also become known for his elegant portraits of cultural celebrities and of friends, and for portraiture images of flowers. Curiously, this less explicitly eroticized work has proven equally fascinating—perhaps because in all Mapplethorpe's pictures, the act of looking (and, by implication, the act of photographing) is akin to being seduced.

Continued on page 8

Drum Rolls for Prof. Roach

by Mike Zwerin

NEW YORK — On July 14, Professor Max Roach, who has been called the Duke Ellington of the drums, stopped by his office during a lunch break while conducting his summer Jazz Studies Program for the University of Massachusetts in Amherst. He found a telephone message from a certain Dr. Hope in Chicago.

Roach did not know anybody named Hope in Chicago. He had been negotiating to appear at the Chicago Jazz Festival. It must have something to do with that. But Dr. Hope said: "Professor Roach, you have been awarded a \$372,000 MacArthur Foundation Fellowship. All we need is your Social Security number."

"I'm still in a state of shock," Roach said last week in his upper West Side apartment overlooking Central Park. "I didn't apply. There was no warning. They don't tell you why they chose you. They won't say who was on the committee."

The John D. and Catherine T. MacArthur Foundation awarded 31 fellowships this year. The smallest is \$150,000. Roach's figure was close to the biggest. Former recipients include the composer Milton Babbitt, choreographer Merce Cunningham, poet John Ashbery and writer Irving Howe. The award is irrevocable, paid over five years and passed on to the recipient's heirs should he or she die before the period is over. No reports or projects are required. Nominees, according to the foundation brochure, should "meet rigorous standards of excellence in their work, well beyond professional competence, even if such work is in its earliest stages. They must show great promise for future work. Although committee evaluation

has to be based on achievement, the fellowship is not intended to be a reward but rather to foster new accomplishment... to provide hitherto unavailable opportunities."

An extraordinarily fit 64, Roach has been creating his own opportunities with remarkable resourcefulness. Building on the innovations of Kenny Clarke, he became the measure of excellence for bebop drumming. He worked with Ellington, Dizzy Gillespie, Charlie Parker and Miles Davis, and co-led a legendary quartet with the trumpeter Clifford Brown.

He rendered obsolete the old joke about a jazz quartet being "three musicians and a cusemble, M'Boom, and has written for and performed with multimedia projects.

Since he has already managed to do all this within, or despite, the capitalist system, you wonder what kind of five-year plan he has for the additional \$75,000.

He explains by way of a brief biography: "My family moved from South Carolina to Bed-Stuy [the Bedford-Stuyvesant ghetto in Brooklyn] in 1928. Although the crash came a year later, although the people were poor and disenfranchised, they had a lot of pride. Nobody was slick, everybody was honest. People went to church.

"I used to take musical instruments home from elementary school. There were music teachers there — we all learned instruments. A lot of us got started in public schools, Charlie Parker and Bud Powell, for example. But now there are no more music teachers in public elementary schools. It's like Moynihan said, 'benign neglect.' Just let it rot and fester.

"I'd like to use some of the MacArthur prestige and money to at least begin some of the statistical research necessary to present a plan to the city fathers to build a kind of cultural complex in Bed-Stuy. I'd like to build what I call an 'oasis.' It should be a pleasure to look at and to be in. I'd like to give something back to that community. Also, I'd like to have the time to work on my autobiography."

Roach is many things besides a great drummer: Civil, civic-minded, generous, healthy, intelligent, literate are appropriate adjectives. He says: "I've been through the whole mill. I've done everything everybody else did. I don't know if it was my parents' prayers or what, but I gave up everything a long time ago. I don't smoke, I don't drink."

In recent years he has worked solo, in duo, with his quartet, with a "double quartet" (four strings added) and with his percussion

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Roach at work.

Continued on page 8

Ilya Glazunov: Pop Hero Or Kremlin Sycophant?

by Bill Keller

MOSCOW — To the Moscow liberal intelligentsia, the painter Ilya Glazunov is a Russian chauvinist, an anti-Semite, a Kremlin sycophant, an enemy of the modern.

To the official art establishment, he is too steeped in the Russian Orthodox religion, too gloomy and politically unreliable.

The international art market rendered its verdict on Glazunov's Russian realism at Sotheby's auction in Moscow on July 7, when buyers, intoxicated by the Soviet modernist works in the catalogue, failed to offer the suggested minimum bid on any of the four Glazunov canvases for sale.

That leaves the Russian public, and they are flocking by the thousands every day to Glazunov's self-sponsored exhibition at the Palace of Youth, as to a shrine, which in a way it is.

The exhibition is a sort of coming out for the tribe of Russian true believers, the spiritual children of the czars and the Russian Orthodox Church, who feel themselves, like Glazunov, condescended to by Western snobbery and victimized by the Sovietization of their history and culture.

Glazunov, in fact, is perhaps the first of these Russian patriots, as they prefer to be called, to realize how fully the new climate of greater artistic license and commercial freedom can be employed in the cause of traditional values.

Denied a free exhibit space, Glazunov has mounted the show in a *pevnytska*, charging 2 rubles admission (about \$3.20) and selling posters, programs and Glazunov lapel pins to recoup the rent at the youth center.

The show contains 90 paintings, but the viewers are drawn by two panoramic canvases 10 feet high and 20 feet wide (about 3 by 6 meters) that amount to Glazunov's gospel of Russia and the world.

One, "The Mystery of the 20th Century," is a murky, apocalyptic collage of modern times. It had been banned from public display since 1977 because Glazunov included in it a portrait of the exiled Russian author Alexander Solzhenitsyn wearing prison garb.

The other canvas, a new work for this year's 1,000th anniversary of Slavic Christianity, is called "Eternal Russia." It is a gallery of figures from Russian history, some 300 distinctive faces arrayed around the crucified Jesus according to the artist's personal judgment: Glazunov's inferno.

The Bolsheviks occupy a place in the landscape that is, at best, ambiguous. They ride down an avenue and out through the crowd of czars, saints and poets, an avenue paved with corpses. Stalin and Trotsky lead the way, followed by Lenin.

Front and center, alongside the revered Russian writers Pushkin, Dostoyevski, Gogol and Lermontov, stands the czarévitch, Alexei, the child heir to the Russian throne, who was executed after the Bolshevik Revolution. Viewers gasp in reverent astonishment when the innocent face of what might have been is identified by exhibition guides.

The painting encapsulates the view of Russian patriots, who feel themselves abused first by the Mongol hordes, then by the burdens of empire and more recently by the cultural conformity enforced by the Communists.

Russian patriots do not necessarily crave a return to monarchy, but their view is imbued with nostalgia for the czarist period, with its religious faith, autocratic leadership and fierce Russian identity. Each day the crowds gather before the two Glazunov panoramas as if gazing from a hilltop into a half-forgotten landscape, to guess at the names of the figures and speculate about what they mean.

"This is our history, which they hid from us," said an

Continued on page 8



Glazunov's Prince Oleg and Prince Igor (1974).

Hamburger Bahnhof: Taste of Timelessness

by David Galloway

BERLIN — For the second year, Berlin is preening its cultural feathers. Last year, the city's 750th birthday provided the occasion for a monumental and controversial sculpture show that stretched the length of the Kurfürstendamm. This year the city's designation as "European Cultural Capital" encouraged the city senate to loosen its purse strings for a series of art spectacles.

The smorgasbord opened with a Joseph Beuys retrospective that unexpectedly revealed more about market skulduggeries than it did about the great shaman. Now, on safer ground, West Berlin is hosting treasures from the Topkapi seraglio (at the Charlottenburg Palace) and artifacts from the "lost republic" of Augustus Caesar (at the Martin Gropius Bau). Viewers with a taste for Greek antiquities are being lured to the Dahlem Museum, while the Museum for Arts and Crafts documents the abduction of Europe with paintings, sculptures and ceramics.

The highpoints of this art-laden summer, however, are to be found in two complementary (and sometimes conflicting) surveys of contemporary art. The National Gallery offers a distilled appraisal of six "Positions in Contemporary Art." With far more flair and finesse, the old Hamburger Bahnhof accommodates 32 international artists, primarily sculptors, in a show entitled "Zeitlos (Timeless)." Curated by Harald Szeemann, "Zeitlos" is an ironic riposte to Berlin's "Zeitgeist" exhibition of 1982, with its stress on the new, wild-style German painting.

The wild bunch is no longer in evidence. Nor are the graffiti kids who rose without a trace only yesterday. Szeemann's unabashed love is for the minimal, meditative, mythic approach that he sees as timeless. It is a thesis he has documented, since 1985, in Düsseldorf, Vienna and Zurich, as well. Those who know the previous incarnations will find little new here, but the train station itself is well worth the trip.

Until recently, few Berliners knew of the forlorn existence of this monument to the Industrial Revolution. Built in 1847, the Hamburger Bahnhof offered a model for the "cathedrals of steam" that would soon rise throughout the nation. By the end of the century, it had become obsolete, and in 1906 was converted to a transport museum. Though damaged in World War II, its severe neoclassical profile and most of its collections survived. The structure was hastily patched together, then slowly sank into a bureaucratic limbo.

When the victorious Allies hastily parcelled out jurisdictions of Berlin in 1945, control of the railroads went to the Soviets and later the East Germans. Though no trains had rolled here since 1884, the Hamburger Bahnhof was included in the package. To reopen the museum would have meant a violation of the treaty restriction on "matters of transport." Further complicating the building fate was its location, directly adjacent to the British transit point between West and East Berlin.

Ironing out the diplomatic wrinkles after years of official indifference was the work of a private initiative founded in 1981. The

Continued on page 8

WEEKEND

Glazunov

Continued from page 7
engineer from Kursk who was standing with his family before "Eternal Russia."
Yegor K. Ligachev, the No. 2 official in the Kremlin and a popular figure among nationalists, reportedly heaped praise on the display. Raisa Gorbachev, the wife of the Soviet leader and the head of a fund for the preservation of Russian culture, has expressed an interest. Her 1981 fan note to the artist is propped conspicuously on his mantle at home.



Author Jesus González Davila, left, and director Julio Carrillo of "From the Street."

Berlin

Continued from page 7
station was then put under West Berlin's authority. Partially restored in time for last year's birthday celebrations, the building will become a permanent exhibition space for contemporary art. The West Berlin senate has approved funds for further restorations, and they will inevitably diminish the building's haunting presence. It wears the scars of time with uncompromising dignity, thus offering a provocative setting for a "Timeless" exhibition. And it was the railroad, above all, that altered the last century's attitudes toward time and space.

ALL the minimalist masters are present and accounted for, together with gifted newcomers as Reinhard Mucha and Thomas Virnich. In contrast, the National Gallery attempts to describe "an imaginary geography of today's art" through the work of only six artists. Each, according to curator Dieter Honisch, represents a seminal position in contemporary aesthetics. Staking out the territory are Jannis Kounellis, Mario Merz, Nam June Paik, Frank Stella, Richard Serra and Cy Twombly.

When Theater Is a Courtroom

by Larry Rohter

MEXICO CITY — The theater, Federico Garcia Lorca said, is a public tribunal in which mankind "submits as evidence old or mistaken lessons and explains with living examples the eternal norms of the heart and of human sentiment." All over Latin America in recent years, the heirs of the great Spanish playwright and poet have been busy applying his dictum.

Old Master by John Russell
LONDON — In any other big work of art that has been selected at the Queen's Gallery, the public is invited to be beaten into the public art gallery by over means already known by others just invented by the Queen's Gallery at Beecham where the show can be seen in a year, reference reigns. Ulysses Miller, who has been in charge since its inception, that reign has been broken.

Herald Tribune
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The International Herald Tribune is pleased to present its fall schedule of conferences. For further information on any of those listed below, please tick the appropriate box and return, with your business card, to the address below.

Mapplethorpe

Continued from page 7
presents his subjects, as idealized as any classical sculpture, if a touch more ethereal. The conjunction of perfect technique and perfect form gives his photography a rarefied beauty that would seem anachronistic were it not for its obvious contemporary appeal.

Roach

Continued from page 7
I'm trying to take care of myself in my old age."
There is an ironic twist to the last sentence because in no way can he be described as old. There is also a hint of an unconscious plea not to be considered corny because he does not smoke or drink. Isn't there somebody somewhere who wants to make a film about a jazz giant who has not died some sort of tragic early death? He just came into a great deal of money — that might grab a producer somewhere.

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TRAVEL

Old Masters in Abundance

by John Russell

LONDON — In any other big city the 131 works of art that make up the "Treasures from the Royal Collection" at the Queen's Gallery...

collected in an episodic, often discerning but quite unsystematic way. Some of them had taste of a kind that shines through their every acquisition and can clearly be seen in the present exhibition.

end of the 18th century by Caroline of Brunswick, wife of the Prince Regent. In only one case, that of the stupendous jewel cabinet made a year or two before the French Revolution by Jean-Henri Riesener...

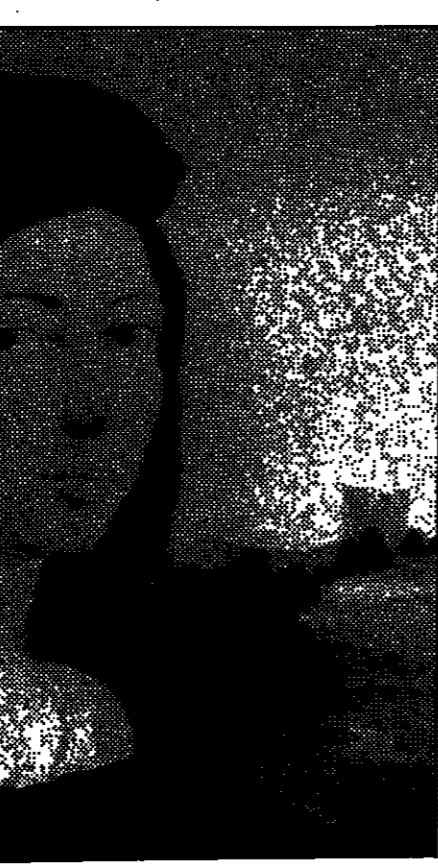
Certain things speak for themselves, however, even if the coincidence in one quite small room of Raphael's early self-portrait, Claude's "Coast Scene with the Rape of Europa," Vermeer's "Lady with a Gentleman at the Virginals," Rembrandt's "Ship-builder and his Wife," Pieter Bruegel's "Massacre of the Innocents," Aelbert Cuyp's "The Passage Boat" and Rubens's "Farm at Lasken" is treated as if it were an everyday occurrence.

Where the royal connections of the show are concerned, the emphasis could hardly be lighter, though the chance of seeing van Dyck's triple portrait of King Charles I is not one to miss.

ADMIRING the delicate and fleecy look of the sitter's hair, we should bear in mind that in Venice, where the portrait was painted, Dürer's way with hair was very much admired by Giovanni Bellini.



On show: Raphael's self-portrait.



© 1988 The New York Times



A craftsman with wood sculptures at Paa ya Paa in Nairobi.

A Haven for Kenyan Carvers

by Sheila Rule

NAIROBI — Beyond the competitive rush of the crowded city center, creativity flourishes in a place of quiet, tree-shaded harmony. Sculptures, paintings and other art works seem to be in close rapport with the wooded surroundings.

Added to this is the legacy of the colonial period, which in many ways attempted to dismantle indigenous culture.

There are two kinds of African artist here. There are those who create beautiful pictures and decorative art and figure out what the market wants.

Njan is a Kenyan artist who for more than 20 years has been struggling to help East African artists retain their creativity amid the economic pressures to design for Western markets and a Western aesthetic.

ART might depict the plight of Nairobi's so-called parking boys, children who forage for food in the city's garbage bins. It could celebrate the crucial role of women in Kenya's past and present.

Real reconciliation will only come when the African powers that be acknowledge and encourage the role of the African artist in development.

In the name of the gallery, Njan is saying that artistic creativity can transcend the commercialism of that antelope art, that it should rise above the race for profit.

The delicate political and economic environment, overseen by authorities who permit no criticism, has tended to mute or alienate many artists.

Not to mention any sort of personal vision.

INTERNATIONAL ARTS GUIDE

- AUSTRIA: VIENNA: ●Historical Museum of the City of Vienna (tel: 42.8.04). — To Aug. 28: Otto Wagner and the Franz-Josef Stadtmuseum. Architectural models, drawings and watercolors of the rebuilt museum by Wagner and contemporaries. DENMARK: COPENHAGEN: ●Royal Museum of Fine Arts (tel: 91.21.26). — To Sept. 27: The Age of Christian IV. Centenary exhibition of this summer's commemoration to one of Denmark's most popular monarchs, Christian IV (1577-1648), presents sculpture and painting of the 17th century. ENGLAND: LONDON: ●Barbican Centre (tel: 638.41.41). — To Oct. 2: The International Art Show for the End of World Hunger. Works by 50 contemporary American and European artists — Beuys, Lichtenstein, Rauschenberg and Warhol, among others. — To Oct. 2: The Harold Samuel Collection: 84 seventeenth century Dutch and Flemish paintings. — To Oct. 2: Over 120 works by the British artist L.S. Lowry. ●British Museum (tel: 636.15.55). — To Aug. 14: Images of Unknown Japan. Wood-block prints from the Shogun epoch, 1600 to 1860. ●Hayward Gallery (tel: 261.01.27). — To Aug. 14: 85 paintings from the Phillips Collection in Washington, including works by more than 60 Impressionist and Post-Impressionist artists. — To Aug. 14: Angry Penguins: Realist Painting in Melbourne in the 1940s. ●National Gallery (tel: 839.33.21). — To Sept. 18: French Paintings from the USSR. 38 works from the Hermitage and Pushkin museums;

- includes works by Chardin, Ingres, Manasse and Picasso. ●Imperial War Museum (tel: 735.89.22). — To Sept. 4: Through the Fire: paintings, drawings and graphic works from World War I by Paul Nash (1889-1946). ●Royal Academy of Arts (tel: 734.90.52). — To Aug. 21: The first exhibition devoted exclusively to Paul Cézanne's early years (1859-1970). On view are 61 paintings and 15 works on paper, imaginary compositions, portraits, landscapes and still lifes. ●Tate Gallery (tel: 821.13.13). — To Sept. 18: A selection of Picasso's last works, from 1953 to 1973: 72 paintings, 33 drawings, 47 prints and 3 sculptures. ●National Maritime Museum (tel: 858.44.22). — To Sept. 4: The 4th centenary of the defeat of the Spanish Armada is commemorated in this show of art and artifacts including paintings, sculpture, tapestries, jewelry, charts, guns and armor. ●Victoria and Albert Museum (tel: 589.63.71). — To Aug. 7: Fashion and Surrealism: Contemporary fashion by Saint Laurent, Lagerfeld and others displayed alongside early surrealist designs by Man Ray, Cocteau, Dalí, Schiaparelli. FRANCE: PARIS: ●Centre Georges Pompidou (tel: 42.77.12.33). — To Aug. 28: 42 relief paintings by Frank Stella done since 1970. — To October 17: "Les Années 50," a comprehensive survey of the 1950s. Exhibitions deal with the decade's dominant artistic styles, architecture and design, radio, film, literature and music. ●Grand Palais (tel: 42.89.54.10). — To Aug. 15: More than 300 works showing the Japanese influence in modern Western art. Includes works by Rodin, Lalique, Worth, Poiret. ●Musée d'Orsay (tel: 45.49.48.14). — To Aug. 14: A retrospective of the photography of Gustave Le

- Gray (1820-82) alongside 200 photographs from 1839 to 1918 from the museum's collection. ●Musée des Arts de la mode (tel: 42.60.32.14). — To Sept. 11: Over 250 examples of theatrical and formal costumes, from the Turrell collection in Florence, ranging from formal dress of the 18th century, 1930s designer costume, film and opera costumes. ●Palais de Tokyo (tel: 47.23.36.53). — To Sept. 12: A survey of British photography from its origins to the early 20th century includes over 200 photographs from the Royal Photographic Society, Bath. NIMES: ●Musée des Beaux Arts (tel: 66.76.70.76). — To Aug. 28: A loan exhibition from the Van Abbe Museum in Eindhoven (Holland) displays over 110 works including Cubist, Constructivist and other abstract painting from before 1960. WEST GERMANY: COLOGNE: ●Josef-Hambrecht-Kunsthalle (tel: 221.23.35). — To Sept. 4: The history of the Bauhaus illustrated in drawings and watercolors by Klee, Schlemmer, Kandinsky, Feininger and Laszlo Nagy, and architectural models by Gropius, van der Rohe. ●Römisch-Germanisches Museum (tel: 221.44.38). — To Sept. 18: Glass of the Caesars. 150 masterpieces of Roman glasswork, many loaned by the British Museum, and the Corning Museum of Glass in New York. ●Museum Ludwig (tel: 221.23.79). — To Aug. 21: Soviet Art Today: over 100 paintings, drawings and graphic works of the 1980s. ESSEN: ●Villa Hügel (tel: 422.559.188). — To Oct. 30: Art and artifacts from 16th century Prague from the court of Rudolf II. Over 400 works including painting and sculpture, scientific instruments, decorative arts. ULM: ●Ulmer Museum (tel: 161.43.00). — To Aug. 28: Toulouse-Lautrec:

- 390 examples of the artist's graphic work. ITALY: PADUA: ●Palazzo della Ragione (tel: 66.13.77). — To Sept. 25: The Emo Capodistista collection: 543 works representing the primary schools of European painting of the 15th to 18th centuries, presented together for the first time. VENICE: ●Palazzo Ducale (tel: 249.51). — To Sept. 4: Pre-Columbian Art of Mexico: 140 objects from the principal Mexican archaeological collections. ●Palazzo Grassi (tel: 523.16.80). — To Nov. 6: Exhibition devoted to the Phoenician civilization. Over 1200 exhibits — glass, ivory, gold and silver objects, sarcophagi and funerary masks. ●Spola Grande, San Teodoro (tel: 523.09.04). — To October 5: Dalí in the Third Dimension. Drawings, paintings and a survey of the artist's sculpture from 1934-1980. SCOTLAND: ●National Galleries of Scotland (tel: 556.89.21). — To Sept. 4: Francis Picabia (1879-1953). A retrospective of 90 works by the artist. SWITZERLAND: BASEL: ●Kunstmuseum (tel: 22.08.28). — To Sept. 4: Drawings by Hans Holbein the Younger, including 50 on loan from the Royal Library at Windsor Castle. GENEVA: ●Musée d'art et d'histoire (tel: 29.00.11). — To Oct. 30: The Heinz Berggruen collection. Over 100 works by Cézanne, Seurat, Bonnard, Braque, Picasso, Matisse, Klee.

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DOONESBURY comic strip panels. Panel 1: 'AND SINCE MRS. OUT OF THE QUESTION, IT'S HERES RICK AND HE ABSOLUTELY REFUSES!' Panel 2: 'HOW ABOUT ME?' Panel 3: 'SURE, MRS. YOUR PARTNER HAS TO BE WITH SOMEONE WHO'S BEEN THROUGH IT?' Panel 4: 'MOM, THAT'S A GREAT IDEA! I DON'T KNOW WHY I DIDN'T THINK OF YOU!' Panel 5: 'HOW DO YOU WANT TO BE LISTED IN THE CABLE GUIDE?' Panel 6: 'I DUNNO... STUNT COORDINATOR?'

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NYSE Most Actives table with columns for stock symbol, volume, high, low, and change.

Market Sales table showing NYSE 4 p.m. volume, NYSE adv. volume, and OTC 4 p.m. volume.

NYSE Index table with columns for High, Low, Close, and Change.

Thursday's NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table with columns for Class, Prev., and Change.

NASDAQ Index table with columns for Close, Chg, and Prev.

AMEX Most Actives table with columns for Vol., High, Low, and Last.

Dow Jones Bond Averages table with columns for Bond, Close, and Chg.

NYSE Diary table with columns for Class, Prev., and Change.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, and % of NY.

Dow Jones Averages table with columns for Index, High, Low, and Change.

Standard & Poor's Index table with columns for High, Low, Close, and Change.

NASDAQ Diary table with columns for Class, Prev., and Change.

AMEX Stock Index table with columns for High, Low, and Change.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Down Before Jobs Report

NEW YORK — Stock prices closed lower Thursday in moderate trading on the New York Stock exchange as investor enthusiasm left the market, bringing with it an end to a five-session winning streak. The Dow Jones industrial average, which had risen 2.85 Wednesday, fell 7.47 to close at 2,126.60. Early in the session, the blue-chip indicator had been ahead by more than 8 points. Declining issues led advancers about a 7-6 ratio. Volume fell to 157.24 million shares from 203.59 million traded Wednesday. Analysts said the early rise was sparked by strength in the bond market, but investors proved to be more apathetic than enthusiastic as they awaited the next round of unemployment data. "It's been a very dull day," said Alan Ackerman, senior vice president at Gruntal & Co. "I think the market is going back to sleep." Broader market indexes also fell. The New York Stock Exchange composite index fell 0.48 to close at 153.35. Standard & Poor's 500-stock index lost 1.05 to 271.93. The price of an average share lost 10 cents. Brad Weeks, senior vice president in charge of sales and trading at Donaldson, Lufkin & Jenrette, described the stock market as lackluster, noting that "with interest rates above 9 percent, bonds are more attractive than stocks right now."

Interest Rates Reached Peak

But interest rates have reached their peak, said Mr. Weeks, who sees a rally on the horizon. Volume included almost 8 million shares of General Motors. The stock carries a 6.2 percent dividend yield and goes ex-dividend Friday, making Thursday the last day investors could own a share and collect its current quarterly dividend. Trude Latimer, a market analyst with Josephthal & Co., said although stock prices pulled back from gains made at the open, there is an undercurrent of an improving tone in the market. The July jobs data is due out Friday and is expected to show continued economic strength, but Ms. Latimer said she did not think "these individual statistics, with the possible exception of the merchandise trade data, have much impact on an intraday basis." Consolidated Edison was the most active NYSE-listed issue, unchanged at 44. General Motors followed, down 1/4 to 79 1/2. Retail issues were lower after stores reported modest sales for July. Sears Roebuck fell 1/4 to 36 1/4. Kmart was off 1/4 to 33 1/4 and Wal-Mart 1/4 to 31 1/4. Prices closed slightly lower in active trading on the American Stock Exchange. The Amex Market Value index fell 1.01 to 305.33. The price of an average share lost 4 cents. Declines led advancers by about a 5-4 ratio. Volume was 10.95 million shares, up from 9.73 million Wednesday.

Large table of stock prices (A) with columns for 12 Month High, Low, Stock, Div, Yld, PE, 52 High, Low, and Change.

Large table of stock prices (B) with columns for 12 Month High, Low, Stock, Div, Yld, PE, 52 High, Low, and Change.

Large table of stock prices (C) with columns for 12 Month High, Low, Stock, Div, Yld, PE, 52 High, Low, and Change.

Large table of stock prices (D) with columns for 12 Month High, Low, Stock, Div, Yld, PE, 52 High, Low, and Change.

Advertisement for 'Growing Litig' and 'The Outlook' with 'WALL STREET' logo and 'NEW YORK' text.

Handwritten text at the bottom right corner of the page.



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FRIDAY, AUGUST 5, 1988

WALL STREET WATCH

Growing Litigation Clouds The Outlook for Brewers

By ROBERT J. COLE

NEW YORK — The slow accumulation of lawsuits against producers of alcoholic beverages, blaming their products for various injuries, has caused at least one analyst who follows the industry to reconsider his investment outlook.

"Claims against alcohol companies now raise the possibility that the beer industry could face a series of product liability suits similar to those faced by the cigarette industry," Mr. Sloan said.

After cigarettes, Sloan contends, beer could be a litigation target.

The suit contends that relatively moderate consumption of Stroh's Old Milwaukee — two or three cans on four nights a week over a six-year period — caused the death from acute pancreatitis of a 26-year-old from Pennsylvania.

Previous claims have involved far heavier consumption. In addition, Mr. Sloan noted, there are several suits in Seattle blaming various alcoholic drinks for birth defects.

The defendants in these "fetal alcohol syndrome" suits include Anheuser-Busch; Potter Distilleries; Brown-Forman Corp.; James B. Beam Distilling Co., a unit of American Brands Inc.; Heublein Inc., a unit of Grand Metropolitan PLC; G. Heileman Brewing Co.; Joseph Schlitz Brewing Co.; and Olympia Brewing Co., a unit of the Pabst Brewing Co., which is owned by S&P Co.

All of the suits maintain that the children suffered from such conditions as mental retardation, problems of the central nervous system, heart and limb defects and malformed faces, because their mothers drank during pregnancy.

The parents, represented by Barry M. Epstein, a Newark, New Jersey, lawyer, do not say how much alcohol the mothers consumed, but seek damages for past and future care.

MR. SLOAN said that the health problems associated with alcohol were far less common than those stemming from smoking. He noted, however, that alcoholic beverages do not carry warning labels, which have turned out to be an important defense in the cigarette litigation.

The important point, Mr. Sloan maintained, is that cigarette stocks have already been discounted for the litigation problems. They stand at about a 30 percent discount to the market.

Anheuser-Busch has drifted down from \$31.25 a share since Mr. Sloan's recommendation, to close at \$30.50 on Wednesday on the New York Stock Exchange, but most of his colleagues say his fears are unwarranted.

"Alcohol litigation is not quite comparable to the tobacco suits," said Emanuel Goldman, the beverage analyst for Paine Webber Inc., "because you have all these statistical correlations, healthwise. If you don't abuse alcohol, nothing's going to happen to you," he said.

Mr. Goldman disagrees strongly with Mr. Sloan about Anheuser-Busch, which he believes clients should be aggressively accumulating.

Pretoria Set to Act On Trade

Direct Controls on Imports Weighed

Reuters

JOHANNESBURG — South Africa is considering the introduction of direct import controls to avert a balance of payments crisis which is threatening its ability to make heavy foreign debt repayments.

Mr. du Plessis told reporters that a few indirect controls were already in place, but pressure on the balance of payments' current account and dwindling gold and foreign currency reserves could force Pretoria to tighten these.

"It may become necessary to extend import controls," he said, adding that the government would act as soon as it had firmer economic data on the widening balance of payments deficit.

The measures could include direct curbs on some imports, Mr. du Plessis said, as well as tariffs to discourage others and higher surcharges on a wide range of imported goods.

"The balance of payments position is looking bad and circumstances are such that he doesn't have any option," a senior Finance Ministry official said.

Stressing his reluctance to impose controls, Mr. du Plessis acknowledged they implied that "some bureaucrat somewhere will know exactly how much of a certain item should be imported."

Mr. du Plessis and Gerhard de Kock, the reserve bank governor, who are the chief advocates of free-market principles in the domestic economy, have long opposed pressure for direct import controls from leaders of the conservative Afrikaaner business establishment.

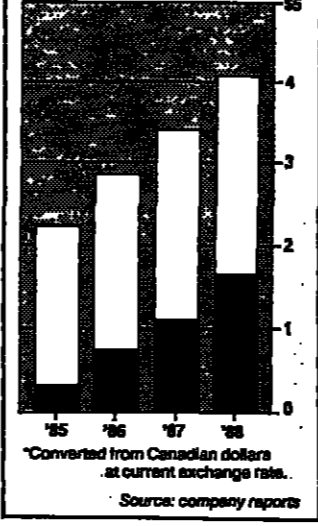
South Africa needs a balance of payments surplus to repay \$21 billion of foreign debt. In 1985, foreign banks cut credit lines amid anti-apartheid pressures and Pretoria has since repaid about \$5 billion.

Surging imports and static exports plunged the current account into a deficit of 410 million rand (\$167 million) in the first quarter of 1988.

See PRETORIA, Page 15

Labatt's U.S. Revenues Grow

The U.S. share (shaded) of Labatt's revenues, in billions of U.S. dollars, fiscal year ended April 30.



George McNeil/The New York Times J. Herbert England, right, a Labatt executive, with Eugene Maddill of Tuscan Dairy.

For Labatt, Switch to Milk Is Easy

U.S. Dairies Thrive, but New York Is a Tough Market

By Jonathan P. Hicks

NEW YORK — For John Labatt Ltd., becoming one of the leading dairy companies in the Northeast United States in just three years was easy — at least when compared with the challenge of making money in the newly deregulated New York City milk business.

The acquisition of such large dairies as Johanna Farms, Queens Farms Dairy and Tuscan Dairy Farms has enabled the Canadian brewery and food conglomerate to capture nearly 40 percent of the milk market in New York City, more than half of the New Jersey market and three-fourths of Philadelphia's, according to industry officials.

That has helped the company go a long way toward its goal of becoming a major force in the food business in North America and deriving half of its sales and earnings from the United States.

Labatt executives think success in the United States is vital to growth. In Canada, the company has long held dominant positions in several food and beverage markets: It is that country's largest producer of pasta, its Labatt beer commands a 42 percent market share, and its Ault foods division is one of Canada's largest dairy producers.

But at least in New York, which opened up the milk market to all comers in January 1987, the company is suffering from intense price competi-



George McNeil/The New York Times J. Herbert England, right, a Labatt executive, with Eugene Maddill of Tuscan Dairy.

tion and high overhead, partly stemming from milk plants that are far from advanced technology.

With milk prices in New York City 10 to 15 percent lower than they were two years ago, Labatt acknowledges that it is losing money in the city — although it will neither confirm nor deny analysts' estimates that those losses are as high as \$100,000 a month.

Despite efforts to modernize its plants to lower their costs, the company will see profitability only when enough competitors fall by the wayside and milk prices rise, said J. Herbert England, the Labatt executive overseeing dairy operations in the New York area.

"The losses may last a couple of years," he said. "But there will be a shakeout in the industry over time, and we intend to be one of the survivors." Labatt is also wrestling with the task of creating a team spirit among the formerly bitter competitors that now comprise its new milk empire.

Labatt's entry to the United States dates from 1968, when it bought Chef Francesco, an Oregon-based maker and marketer of frozen foods, but the company began its expansion drive in earnest in the 1980s.

In the past five years, Labatt has spent nearly \$500 million to acquire American companies. See LABATT, Page 13

Capital Outflow From Germany Rises to Record

By Ferdinand Protzman

FRANKFURT — The flow of capital out of West Germany rose dramatically in the first half of 1988, as a record 50.57 billion Deutsche marks (\$27 billion) of net long-term capital left the country, the Bundesbank said Thursday in a monthly report.

Despite the outflow, the West German economy continued to perform better than expected, with orders to the manufacturing industry rising an inflation-adjusted 0.9 percent in June from May, the government reported.

But the movement of capital out of West Germany has eroded the mark's strength since the start of the year and recently prompted the Bundesbank, the central bank, to raise interest rates.

Economists said investors' doubts about West Germany's attractiveness as a financial and industrial marketplace, as well as shifting foreign exchange rates and a withholding tax on interest income have contributed to the flow of capital, which includes securities transactions and direct investment.

It contrasts sharply with the net 18.66 billion DM that flowed into West Germany in the comparable period a year earlier.

The capital outflow, which had slowed in the spring, accelerated sharply in June as the nation's capital account showed a deficit of 13.94 billion DM, compared with deficits of 9.82 billion DM in May and 4.06 billion DM in June 1987.

The capital account measures the movement of investments into and out of a country.

West Germany's long-term capital account deficit widened to 11.53 billion DM in June from 8.80 billion DM in May and 1.18 billion DM a year earlier. The short-term capital account showed a deficit of 2.41 billion DM in June, widening from 1.02 billion DM in May, but narrowing from 2.88 billion DM in June 1987.

Services and transfers showed a deficit of 3.30 billion DM in June, widening from 2.53 billion DM in May, the Bundesbank said.

But orders to the manufacturing sector are flowing in. The Economics Ministry said manufacturing industry orders rose 0.9 percent in June from May. In May orders were also up 0.9 percent from April. The figures are adjusted for inflation and for seasonal variations.

Economists said the industrial order figure was indicative of the generally strong condition of the economy.

"The economy is not doing poorly at all," said Gert Schmidt, an economist with Industriekredit.

See OUTFLOW, Page 15

U.S. Efficiency Falls by 1.7% In 2d Quarter

The Associated Press

WASHINGTON — The efficiency of U.S. businesses in producing goods and services decreased at a 1.7 percent annual rate in the second quarter, the first decline since 1985, the Labor Department said Thursday.

Productivity among non-farm businesses, responsible for 75 percent of U.S. economic activity, had risen at an annual rate of 3.4 percent from January through March.

Reflecting the continuing economic expansion, output of goods and services by non-farm businesses rose at an annual rate of 4.7 percent in the second quarter.

But to achieve that rise, workers put in 6.5 percent more hours, the largest quarterly increase since 1984 and a reflection of a 14-year low in the U.S. unemployment rate.

While business overall suffered from poorer efficiency in the second quarter, manufacturers, responsible for a quarter of the nation's economic output, continued to show improved productivity, up 3.5 percent from the first quarter.

Currency Rates

Table with columns for Currency, Par \$, and other rates. Includes Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, etc.

Closures in London, Tokyo and Zurich, trades in other centers. New York closing rates.

Other Dollar Values

Table with columns for Currency, Par \$, and other values. Includes Argentina, Australia, Austria, etc.

Interest Rates

Table with columns for Term, Rate, and other interest rate data.

Key Money Rates

Table with columns for Instrument, Rate, and other money rate data.

Asian Dollar Deposits

Table with columns for Term, Rate, and other Asian dollar deposit data.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and other U.S. money market fund data.

Gold

Table with columns for Location, Price, and other gold market data.

Mecca Leisure Makes Offer for Pleasurama

£621 Million Bid for Casino Owner

Reuters

LONDON — Mecca Leisure Group PLC said on Thursday that it wanted to buy the casino owner Pleasurama PLC in a deal it valued at £621 million (\$1.06 billion), but only if Pleasurama drops its plans to buy the Hard Rock Cafe chain.

Mecca's offer to swap some of its stock for all of Pleasurama's shares took traders on the London Stock Exchange by surprise, since Mecca is much smaller than Pleasurama.

Mecca, a former unit of Grand Metropolitan PLC, was sold to management in 1985.

Mecca said the offer was conditional upon Pleasurama dropping plans to buy Hard Rock International PLC and not proceeding with a rights issue. Pleasurama is scheduled to seek approval for the acquisition and the rights issue at an extraordinary general meeting on Aug. 12.

Pleasurama, whose holdings include London's elegant Grosvenor Club casino, offered £63 million in cash for the Hard Rock chain on July 20 and proposed a £127 million rights issue to fund it and the £18.7 million acquisition of a theme park and a resort and business park in the United States.

Pleasurama has said buying that the Hard Rock group would help its campaign to develop its restaurant interests. The Hard Rock Cafe opened in London in 1971, selling such American food as hamburgers

and ribs, and then expanded in the United States.

The offer is 7 new Mecca ordinary shares plus 10 new Mecca convertible preference shares for every 10 Pleasurama ordinary shares, and 28 new Mecca ordinary shares plus 40 new Mecca preference shares for every 43 Pleasurama seven-percent convertible preference shares. The offer values each Pleasurama ordinary share at 261 pence and each preference share at 243 pence.

Many traders and share analysts thought Mecca's offer could set off a bidding war for Pleasurama. Its shares jumped by 40 pence, to 266 pence, after the announcement.

One reason that traders may be expecting a bidding battle for Pleasurama is that Mecca is proposing only to swap shares. Share analysts said that may encourage other companies to feel they can put together a more attractive offer.

Rank Organization Group PLC, much larger than either Mecca or Pleasurama, had been widely tipped as the most probable bidder.

Mecca said it forecast a pretax profit for the year to Sept. 30, 1988, of not less than £12.25 million after pretax profit of £14 million in the 1986-87 year.

Pleasurama had pretax profit of £44.32 million in 1987 on revenue of £241.21 million. Amusement machines and casinos provide its biggest profit.

GM Revamps Warranty As Wider 3-Year Plan

By John Holusha

DETROIT — General Motors Corp. announced Wednesday that it would change the warranty it offers on most of its cars and light trucks from six-year, 60,000-mile (100,000-kilometer) coverage of basic engine and transmission parts to a three-year, 50,000-mile package.

The change will apply to 1989 models, GM said.

GM touched off a warranty war in the domestic industry in 1987 when it extended a three-year, 36,000-mile power-train warranty to six years and 60,000 miles.

Within a few weeks, Ford Motor Co. matched GM, while Chrysler Corp. extended its term to seven years or 70,000 miles.

It was unclear how those companies would respond to Wednesday's action.

The warranty will cover virtually all parts on a vehicle, GM said, including air-conditioning and electronic and power equipment.

GM now offers this broad coverage for one year or 12,000 miles, followed by extended coverage for the engine and other power-train parts until six years or 60,000 miles.

Also, the company will drop its \$100 fee for transferring a warranty to another owner.

Owners will remain responsible for oil changes, lubrication and other routine maintenance.

GM said it was responding to surveys indicating that two-thirds of its customers preferred the shorter, more complete coverage.

TWO STRENGTHS, LINKED.

Trade Development Bank and American Express Bank. Two traditions of strength and success. Today, they join forces in a new expanded bank to be called TDB American Express Bank.

Thursdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: High, Low, Stock, Div, Yld, PE, 52-Week High, 52-Week Low, Close, Chg. Lists various stocks and their performance.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table of company results for British Airways, Japan, Netherlands, United States, and others, showing revenue and profit.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52-Week High, 52-Week Low, Close, Chg. Lists various international stocks.

NYSE High-Lows

Table showing NYSE high and low prices for various stocks, categorized by sector like Technology, Energy, etc.

Oil Production Climbed in July

Despite North Sea Slowdown

PARIS — Oil production in the Organization of Petroleum Exporting Countries rose 300,000 barrels a day in July from a month earlier to 18.7 million barrels a day, the International Energy Agency said Thursday.

Insilco Accepts Managers' Plan

To Buy Firm For \$950 Million

MERIDEN, Connecticut — Insilco Corp.'s board approved on Thursday a management-led buyout offer that values the high-technology and specialty consumer products company at about \$950 million.

U.S. Futures

Via The Associated Press

Table for U.S. Futures: Grains, showing prices for wheat, corn, soybeans, etc.

Table for U.S. Futures: Food, showing prices for coffee, sugar, etc.

Table for U.S. Futures: Metals, showing prices for copper, silver, gold, etc.

Table for U.S. Futures: Livestock, showing prices for cattle, hogs, etc.

Table for U.S. Futures: Currency Options, showing prices for various currencies.

Table for U.S. Futures: Philadelphia Exchange, showing prices for various commodities.

Table for U.S. Futures: London Commodities, showing prices for various commodities.

Table for U.S. Futures: London Metals, showing prices for various metals.

Table for U.S. Futures: Dividends, showing dividend information for various stocks.

Table for U.S. Futures: Spot Commodities, showing prices for various commodities.

Table for U.S. Futures: S&P 100 Index Options, showing prices for S&P 100 index options.

Table for U.S. Futures: DM Futures, showing prices for DM futures.

Table for U.S. Futures: U.S. Treasuries, showing prices for U.S. Treasury securities.

U.S. Vehicle Makers Report Strong Sales

DETROIT — U.S. manufacturers of cars and light trucks have reported unexpectedly strong sales for July, while imports showed surprising losses.

Overall, vehicle sales were down about one-third of a percentage point from the strong level of a year earlier. Car sales fell 1.4 percent from July 1987, and light-truck sales rose 2.2 percent, the manufacturers reported Wednesday.

But sales of domestic cars rose 2.6 percent to 24,012 a day, while those of imports fell a substantial 9.5 percent, to 10,301 a day.

The drop in imports would have been even greater had sales of Volkswagens of America's domestic inventory had not been lumped with the company's imports. Volkswagens stopped making cars in the United States last month.

Domestic cars sold at a seasonally adjusted annual rate of 7.4 million units in July, versus 7.1 million in July 1987, while imported cars sold at a 3 million rate, versus 3.3 million last year.

Paris Commodities

Table for Paris Commodities: SUGAR, showing prices for various sugar grades.

Table for Paris Commodities: COFFEE, showing prices for various coffee grades.

Table for Paris Commodities: COTTON, showing prices for various cotton grades.

Table for Paris Commodities: RUBBER, showing prices for various rubber grades.

Table for Paris Commodities: COPPER, showing prices for various copper grades.

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Dividends

Table for Dividends: Company, Distribution, Per Share, Pay Date, Rec Date.

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Wolko Income

Wolko Income... The company reported a profit of \$1.2 million in the first half of 1988, compared with a loss of \$1.1 million in the same period last year.

Planned Cuts

Planned Cuts... The company is planning to cut 100 jobs over the next six months as part of a restructuring effort.

By Eastern Air Are Blocked

By Eastern Air Are Blocked... Eastern Air Lines is blocked from flying to certain cities due to regulatory restrictions.

Software Sales Up

Software Sales Up... Software sales in the U.S. rose 25% in the first half of 1988, according to a report by the Software Publishers Association.

WORLD MARKETS

WORLD MARKETS... Summary of international market movements for various commodities and currencies.

Montreal Trust... Advertisement for Montreal Trust Company.

BUSINESS ROUNDUP

Akzo Income Rises 27% in Quarter

ARNHEM, Netherlands — Citrus strong markets and an improved products mix, Akzo NV, Dutch chemicals maker, reported Thursday a 27.1 percent surge in second-quarter profit and said it expected a sharp increase in overall 1988 profit before extraordinary items.

Exchange. The stock had traded as high as 147 during the day. These figures are splendid. They were at the top end of the most optimistic forecasts, said a senior dealer at a Dutch bank.

Chemical fiber profits rose to 35 million guilders from 19 million because of higher sales, solid capacity use and firming prices after the market bottomed out last year.

British Airways Reports a 9% Dip in Profit

LONDON — British Airways PLC said Thursday that its net profit fell 9 percent to £53 million (\$90.6 million) in the first quarter, ended June 30, of its financial year, from £58 million in the same 1987 period.

French Water Firms Expand in Britain Hoping to Widen Interests Before 1992

PARIS — The two major French water companies are building their stakes in British utilities before the privatization of British water companies.

Lyonnaise des Eaux, Générale des Eaux, reported attributable net profit of 1.05 billion francs (\$170 million) on revenue of 52.97 billion francs.

Lyonnaise des Eaux owns 85 percent of Lyonnaise Communications SA, the remaining 15 percent being held by Europe's first private cable operator, the Belgian group Coditel.

IRI Reports Sharp Drop in Profit for 1987

ROME — Istituto per la Ricostruzione Industriale, the Italian state holding company, reported Thursday that consolidated profit fell by more than half in 1987, to 177 billion lire (\$130 million) from 367 billion in 1986.

Planned Cuts By Eastern Air Are Blocked

WASHINGTON — A federal judge has temporarily blocked Eastern Air Lines' plans to cut 4,000 jobs, and service to 14 cities and close its Kansas City hub.

LABATT: The Switch to Milk Is Easy, but New York Is Proving Tougher

(Continued from first finance page) six dairy concerns, these include makers of pasta, pizza ingredients and juice, and Latrobe Brewing, the Pennsylvania company that makes Rolling Rock Beer.

York City, and the industry entered a period of upheaval as competition intensified and milk prices dropped. The price of a gallon of milk in New York City, which was \$2.40 two years ago, plunged to \$1.60 in the middle of last year.

Others in the industry said Labatt had merely followed the pricing initiated by competitors. "They have not been price leaders or price cutters," said John E. Noakes, secretary and general

General Re Sets Sale of Unit

NEW YORK — General Re Corp. has agreed to sell its life reinsurance subsidiary, General Reinsurance Corp., to a new company formed by Insurance Investment Associates for about \$300 million in cash.

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CNN INTERNATIONAL 24 Hour Global Television News to their guests "Ask for it at your hotel!"

NOTICE OF MEETING of the holders of 8% Series III Debentures to mature January 1, 1995 of TURBO RESOURCES LIMITED. Notice is hereby given that a meeting of the holders of the 8% Series III Debentures to mature January 1, 1995 (hereinafter referred to as the "Debentures") of Turbo Resources Limited (hereinafter referred to as the "Company") issued under a trust indenture (hereinafter referred to as the "Trust Indenture") dated as of the first day of January, 1986 made between the Company and Montreal Trust Company of Canada, as trustee (hereinafter referred to as the "Trustee"), will be held at Third Floor, Cottons Centre, Cottons Lane, in the City of London, England, on Monday, the 5th day of September, 1988, at the hour of 10:00 o'clock in the forenoon (Greenwich Mean Time), for the purpose of considering and, if thought fit, passing as an extraordinary resolution or extraordinary resolutions pursuant to the provisions of the Trust Indenture one or more resolutions for the following purposes, namely:

The Bank for Foreign Economic Affairs of the USSR (БАНК ВНЕШНЕЭКОНОМИЧЕСКОЙ ДЕЯТЕЛЬНОСТИ СССР) Moscow. DM 500,000,000 6% Bearer Bonds of 1988/1995 - Stock Index No. 484 860 - Issue Price: 100 %

CURRENCY MARKETS

Dollar Advances in Quiet Trading

NEW YORK — The dollar closed slightly higher in quiet trading...

London Dollar Rates

Table with 2 columns: Currency, Rate. Includes Deutsche mark, Swiss franc, etc.

Dealers said the dollar moved in a narrow range against the Deutsche mark and the yen.

The dollar rose to 1.8798 DM at the close in New York...

The British pound eased to \$1.7068 from \$1.7100.

While the market will be closely watching the U.S. jobs data...

The dollar rose slightly to 1.8785...

Argentina Devalues Austral

BUENOS AIRES — Argentina devalued its currency effective Thursday...

A program of voluntary price restraints is to limit consumer price rises to only 5 percent...

The financial rate, which is close to the free-market level...

Imports will come into Argentina at the financial rate...

Mr. Machuca said the central bank planned to act in the free foreign exchange market...

The stabilization plan is also designed to open the door to a \$1.2 billion standby credit...

In Forex Fight, More Can Mean Less

Not All Banks Profit From the Volatile Currency Markets

LONDON — More volatile currency markets have brought increased volumes and forced some dealers to cancel summer holidays...

London dealers are convinced that the recent increase in currency market volatility has taken average trading volume up to around \$130 billion per day in the London market.

New York traders declined to put a figure on turnover, but said that volumes are higher than earlier this year...

While the actual volumes traded daily on the world's foreign exchange markets are notoriously difficult to pin down...

South Africa is a member of the International Monetary Fund and the World Bank...

PRETORIA: South Africa Considers Imposing Direct Controls on Imports

(Continued from first finance page)

Economic analysts had charged that the government stalled the rate rises for fear of alienating white voters before important municipal elections next October.

In May, when prime rates stood at 15 percent, the government said it had decided to curb sharp increases in interest rates as part of its fight against current double-digit inflation.

OUTFLOW: Bonn Record Is Set

(Continued from first finance page)

Bank in Düsseldorf. "In fact, we are enjoying an export boom."

He added that the capital outflow was due mainly to investors shifting funds into nations with higher interest rates...

When the dollar was dropping, funds poured into Germany because of the gains to be made simply from the exchange rate shifts.

Thursday's OTC Prices. NASDAQ prices as of 4 p.m. New York time.

Table of OTC stock prices with columns for stock name, price, and change.

Table of stock prices for letters A through H.

Table of stock prices for letters I through S.

Table of stock prices for letters T through V.

Table of stock prices for letters W through Z.

Table of stock prices for letters AA through AD.

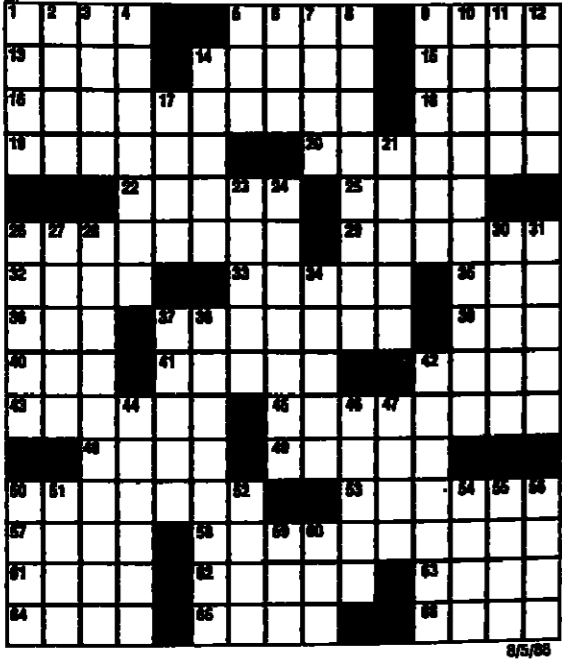
Table of stock prices for letters AE through AH.

Table of stock prices for letters AI through AL.

Table of stock prices for letters AM through AZ.

Thursday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street.

Table of AMEX stock prices with columns for stock name, price, and change.



ACROSS 1 Memorable 'lonized' actor... 49 Highway Milan... 50 Entrance 53 Japanese-Americans... 57 Thai money... 58 Jefferson's home... 61 Type of type: Abbr. A.K.A. Poetic contraction... 64 Cupola... 65 Barber's call... 66 Biblical passage... DOWN 1 Mauna Loa output... 2 Creek Mars... 3 Study of reptiles: Abbr. 4... raptures and... vice... 5... raptures and... vice... 6... raptures and... vice... 7... raptures and... vice... 8... raptures and... vice... 9... raptures and... vice... 10... raptures and... vice... 11... raptures and... vice... 12... raptures and... vice... 13... raptures and... vice... 14... raptures and... vice... 15... raptures and... vice... 16... raptures and... vice... 17... raptures and... vice... 18... raptures and... vice... 19... raptures and... vice... 20... raptures and... vice... 21... raptures and... vice... 22... raptures and... vice... 23... raptures and... vice... 24... raptures and... vice... 25... raptures and... vice... 26... raptures and... vice... 27... raptures and... vice... 28... raptures and... vice... 29... raptures and... vice... 30... raptures and... vice... 31... raptures and... vice... 32... raptures and... vice... 33... raptures and... vice... 34... raptures and... vice... 35... raptures and... vice... 36... raptures and... vice... 37... raptures and... vice... 38... raptures and... vice... 39... raptures and... vice... 40... raptures and... vice... 41... raptures and... vice... 42... raptures and... vice... 43... raptures and... vice... 44... raptures and... vice... 45... raptures and... vice... 46... raptures and... vice... 47... raptures and... vice... 48... raptures and... vice... 49... raptures and... vice... 50... raptures and... vice... 51... raptures and... vice... 52... raptures and... vice... 53... raptures and... vice... 54... raptures and... vice... 55... raptures and... vice... 56... raptures and... vice... 57... raptures and... vice... 58... raptures and... vice... 59... raptures and... vice... 60... raptures and... vice... 61... raptures and... vice... 62... raptures and... vice... 63... raptures and... vice... 64... raptures and... vice... 65... raptures and... vice... 66... raptures and... vice... 67... raptures and... vice... 68... raptures and... vice... 69... raptures and... vice... 70... raptures and... vice... 71... raptures and... vice... 72... raptures and... vice... 73... raptures and... vice... 74... raptures and... vice... 75... raptures and... vice... 76... raptures and... vice... 77... raptures and... vice... 78... raptures and... vice... 79... raptures and... vice... 80... raptures and... vice... 81... raptures and... vice... 82... raptures and... vice... 83... raptures and... vice... 84... raptures and... vice... 85... raptures and... vice... 86... raptures and... vice... 87... raptures and... vice... 88... raptures and... vice... 89... raptures and... vice... 90... raptures and... vice... 91... raptures and... vice... 92... raptures and... vice... 93... raptures and... vice... 94... raptures and... vice... 95... raptures and... vice... 96... raptures and... vice... 97... raptures and... vice... 98... raptures and... vice... 99... raptures and... vice... 100... raptures and... vice...

PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

JUMBLE word game section with a grid of letters and instructions: 'This is our hostess, Herbert... one letter to each square, to form four ordinary words.' Includes words like MODEN, LALIV, TREFER, ITHEL.

WEATHER

Weather forecast table with columns for Europe, Middle East, Oceania, Asia, and Africa, showing high/low temperatures and conditions.

World Stock Markets

World Stock Markets table showing closing prices in local currencies for various regions including Amsterdam, London, Zurich, Tokyo, Sao Paulo, Madrid, Milan, Helsinki, Brussels, Latin America, North America, Hong Kong, Frankfurt, and Sydney.

BOOKS

SELECTED LETTERS OF VIRGIL THOMSON Edited by Tim Page and Vanessa Weeks Page 413 pages, \$24.95, Summit Books, 1230 Avenue of the Americas, New York, N.Y. 10020.

Reviewed by Bernard Holland... what was already inside him—Thomson became a sort of guidepost for American composers who, tired of following German models, started to pursue French ones.

what was already inside him—Thomson became a sort of guidepost for American composers who, tired of following German models, started to pursue French ones. With the war, Thomson returned to New York in 1940, where he was music critic at the New York Herald Tribune for 14 years and where he still lives, aged 91. He seems to have answered almost all the letters from his readers, no matter how irate. These responses are dignified, genuinely sympathetic, unapologetic and often very funny.

BRIDGE

By Alan Truscott... IN Europe, club loyalty is highly regarded and inter-club events are common. This has not been true, in general, in North America, but there are indications of change in New York City.

Bridge game section including a hand diagram with North and South cards and a text explanation of the play.

To Our Readers

Toronto and Montreal stock market quotations were not available in this edition because of technical problems.

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Large vertical advertisement for 'Ay It Again' and 'Scoreboard' on the right edge of the page.

SPORTS

'Lucky' Red Sox Match Record, And Gain Tie for AL East Lead

Compiled by Our Staff From Dispatches BOSTON — The Boston Red Sox, riding a streak even they can barely believe, Wednesday night tied the American League record of 22 consecutive home victories and...

Morgan's Better, Too: By \$150,000

BOSTON — The Red Sox have again rewarded their new manager, Joe Morgan, giving him a pay raise Wednesday to a reported \$190,000. Morgan, who on an interim basis replaced the fired John McNamara on July 14, was a week later given a contract through the 1989 season.



Hubie Brooks of the Expos and John Smiley of the Pirates had an acrimonious 10-minute meeting at the mound, well attended by teammates, during the game in Pittsburgh. Montreal triumphed, 6-4.

The Short Life of the Certified Genius

Many Odd Things Often Happen to Baseball Managers

By Ira Berkow NEW YORK — What's so amazing about the surge of the Boston Red Sox is not how well they're suddenly doing, but how dumb John McNamara suddenly became. Here was a manager who, just two seasons ago, demonstrated the brains of Einstein, the acumen of Edison and the resilience of Roger Rabbit as he piloted his team to an American League pennant and was within one pitch of winning the World Series.

BASEBALL ROUNDUP

grabbed a share of first place in the AL East when Jody Reed's single with two out in the eighth inning beat the Texas Rangers, 5-4. 'If somebody told me the start of this year, or early June, that we'd be in the record books, I wouldn't have believed it,' said veteran second baseman Marty Barrett.



Rookie Dave Elland wiped away the dismay of Paul Molitor's first-inning homer. But for the Yankees, relief was not in sight.

Griffith Joyner Cashes In On Success in U.S. Trials

By Frank Litsky NEW YORK — The last time Florence Griffith Joyner ran on the European track circuit, she received about \$1,500 in appearance money for each race. Now, after her spectacular success in last month's U.S. Olympic trials, she is getting \$25,000 a race, and she is turning down many more races than she accepts.

Play It Again, Guys

Officials Adjusting Quickly to Slo-Mo For NFL's 3d Season of Eye in the Sky

By Thomas George NEW YORK TIMES SERVICE ARLINGTON, Virginia — In room 312 in the Crystal City Marriott on a busy Saturday morning, eight men gathered around two huge color television sets, two huge video recorders and an assortment of other electronic gadgets. It looked like the setting of the latest video-game version of Mighty Mouse versus Alvin and the Chipmunks.

SCOREBOARD

Table with columns for Transition, Baseball, and Football. It lists various sports events, scores, and standings for different leagues and teams.

SIDELINES

Leonard to Fight Lalonde This Fall WASHINGTON (Combined Dispatches) — Three-time world boxing champion Sugar Ray Leonard, 32, came out of retirement Thursday for the third time and signed a contract to fight Donnie Lalonde of Canada this fall in a bid to win an unprecedented five titles.

For the Record

Tracy Austin, ranked No. 1 in the world at age 17, returned to the professional tennis tour Wednesday night after a four-year absence caused by injuries, losing a doubles match in San Diego but 'very happy with the way I played.' She said she may enter mixed doubles at the U.S. Open with Ken Flach as her partner.

Quotable

Atlanta infielder Jim Morrison, on his scoreless pitching stint as an emergency reliever against San Francisco: 'Basically, I had things on my side because I know how stupid hitters are.' (LAT)

ESORTS & GUIDES

Advertisement for International Classified, featuring various escort and travel services with contact information for different cities like London, New York, and Los Angeles.

OBSERVER

The Newest Generation

By Russell Baker
NEW YORK — Every time you turn around there seems to be another generation taking over. They are always smarter than the generation they are taking over from.

A Frenchman's Yukon Idyll

By John F. Burns
NEW YORK TIMES STAFF
DAWSON CITY, Yukon — After Francois Varigas made a 5,000-mile crossing of Canada's high arctic on a dog sled five years ago, he built a log cabin outside this fabled town.



Francois Varigas says: "The typical Yukoner these days is always complaining about the cold."

speaking or mining for gold — feel out of step. Since 1985, the territorial government has been controlled by the New Democratic Party, a socialist-oriented group that has been ousted from power in the only other places in Canada where it held power.

PEOPLE

Wallenberg Memorial

The family of Raoul Wallenberg marked the 76th birthday of the diplomat Thursday by establishing a \$500,000 fund to document his work in saving Jews from Nazi gas chambers.

Angola Record Reached
Negotiators Back to Achieve Peace
By Edward Coles
GENEVA — Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze are expected to meet Friday to discuss the final stages of the peace process in Angola.

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE
Appear on page 6

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THE NORDIC COUNTRIES
will be featured in a special financial report, prepared by the editors of the International Herald Tribune. It will appear on Wednesday September 28th.

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Sun Line Cruises
3, 4, 7, 14, 21 DAY CRUISES to the Greek Islands, Egypt, Israel, Turkey and Around Italy
Cruises out of Athens, Nice, Venice

Kiosk Baker Resigns Treasury Post
WASHINGTON AP — Treasury Secretary James A. Baker Jr. announced Friday that he was resigning to head Vice President George Bush's presidential campaign. President Ronald Reagan, as anticipated, said he would nominate Nicholas F. Brady, an investment banker, to the cabinet post.